6 LATE DIST

Katherine Douglas Applicant Letter, Support, and Exhibits

From: Jessica.StebbinsBina@lw.com
Sent: Friday, December 12, 2025 11:37 AM
To: sbcob
Cc: lkaplan@omm.com; srusch@sableoffshore.com
Subject: December 16, 2025 Board of Supervisors Meeting - Applicants' Submissions Sable Offshore
Attachments: ExxonMobil 12.12.25 Written Submission for 12.16.25 BOS Hearing.pdf; 2025.12.12 Applicants' Supporting Exhibits - 12.16.2025 Board Hearing.pdf; December 2025 Sable Board Presentation.pdf; 2025.12.12 Applicants' Submission in Further Support-12.16.2025 Board Hearing.pdf

Caution: This email originated from a source outside of the County of Santa Barbara. Do not click links or open attachments unless you verify the sender and know the content is safe.

Good morning,

Please find attached Applicants' Sable Offshore Corp., Pacific Pipeline Company, and Pacific Offshore Pipeline Company submission to the Board of Supervisors in connection with the December 16, 2025 continued Hearing regarding the Application for Change of Owner, Guarantor, and Operator for the Las Flores Pipeline System Lines CA-324 and CA-325 A/B; Application for Change of Owner, Guarantor, and Operator for the POPCO Facilities; and Application for Change of Owner, Guarantor, and Operator for the Santa Ynez Unit, as well as Applicants' planned presentation to the Board at the hearing. I am also attaching an additional letter from the ExxonMobil affiliates that currently hold the permits at issue.

Hard copies of all documents will be delivered this afternoon.

We would appreciate your confirming receipt.

Please don't hesitate to reach out with any questions.

Best regards,

Jessica Stebbins Bina

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December 12, 2025

Lauren Kaplan
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Santa Barbara County Board of Supervisors
County of Santa Barbara
105 East Anapamu Street, Room 407
Santa Barbara, California 93101
Attn: Clerk of the Board
sbcob@countyofsb.org

Re: ***Appeals of Planning Commission Approval of Change of Owner, Guarantor, and Operator for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant, and Las Flores Pipeline System***

We write on behalf of Exxon Mobil Corporation ("ExxonMobil"), ExxonMobil Pipeline Company ("EMPCo"), and Mobil Pacific Pipeline Company ("MPPC") (collectively, the "ExxonMobil affiliates"). As laid out in the December 12, 2025 letter submitted by Sable Offshore Corp. ("Sable"), Pacific Pipeline Company ("PPC"), and Pacific Offshore Pipeline Company ("POPCO") (collectively, "Applicants" or "Sable")—and in prior submissions and statements from the ExxonMobil affiliates, Sable, County staff, and the Planning Commission—the Applicants have met the Santa Barbara County Code ("County Code") Chapter 25B requirements.

The ExxonMobil affiliates therefore oppose the County of Santa Barbara Board of Supervisors' (the "Board") proposed findings for the December 16 hearing. These findings address only the operator capability factors—an analysis that does not support denial of the change of operator application for the reasons in Sable's letter. Further, because the Board's findings are silent on the change of owner and change of guarantor factors, they do not support a denial of Sable's change of owner and change of guarantor applications. The Board should therefore uphold the Planning Commission's approval of the change of owner, guarantor, and operator applications. As the ExxonMobil affiliates represented at the November 4, 2025 Board hearing, ExxonMobil is entitled to the transfer of its permits and will exercise all available legal rights to effectuate the transfer and recover any damages it sustains.

Sincerely,

/s/ Lauren Kaplan
Lauren Kaplan
Partner
of O'MELVENY & MYERS LLP

EXHIBIT 1

County of Santa Barbara

BOARD OF SUPERVISORS

Minute Order

November 4, 2025

Present: 5 - Supervisor Lee, Supervisor Capps, Supervisor Hartmann, Supervisor Nelson, and Supervisor Lavagnino

PLANNING AND DEVELOPMENT DEPARTMENT

File Reference No. 25-00942

RE: HEARING - Consider recommendations regarding the appeals of the Planning Commission approval of the Sable Offshore Corporation's Change of Owner, Operator, and Guarantor for the Santa Ynez Unit (SYU), Pacific Offshore Pipeline Company (POPCO) Gas Plant, and Las Flores Pipeline System Final Development Plan (FDP) Permits, First, Third, and Fourth, Districts, as follows: (EST. TIME: 3 HR.)

a) Deny the appeals, Case Nos. 24APL-00025 and 24APL-00026;

b) Make the required findings for approval of the Change of Owner, Operator, and Guarantor for the respective SYU, POPCO Gas Plant, and Las Flores Pipeline System FDP Permits, including California Environmental Quality Act (CEQA) findings;

c) Determine the requests are not a project pursuant to CEQA Guidelines Section 15378(b)(5); and

d) Grant de novo approval of the Change of Owner, Operator, and Guarantor for the respective SYU, POPCO Gas Plant, and Las Flores Pipeline System FDP Permits, subject to the Conditions of Approval.

COUNTY EXECUTIVE OFFICER'S RECOMMENDATION: POLICY

HEARING TIME: 10:30 AM – 1:05 PM AND 1:39 PM – 3:26 PM (4 HR. 22 MIN.)

County of Santa Barbara

BOARD OF SUPERVISORS

Minute Order

November 4, 2025

Received and filed staff presentation and conducted a public hearing.

Cristina Sandoval, Michael Lyons, Christopher Alexander, Elizabeth Martinez, Ken Hough, Candice Meneghin, Juan Lares, Shelsey Marquez, Thomas Becker, Paasha Mahdavi , Kelsey Dowdy, Larry Bickford, Mike Umbro, Julia Bickford, Lucy Ge, Sneha Namboodiri, Ethan Maday, Alex Borgas, Milena Seymour, Lila Werland, Olivia Johnson, Mike Caldwell, Nikki Talebi, Ted Morton, Maureen Ellenberger, Ken Palley, Molly Troup, Jonathon Ullman , Aiden Maestas, Elena Danielson, Kylan Hobart, Adam Maingot, Jose Crespo, John Hochlightner, Michelle Pasini, Sasha Stevens, Aaron Stockwell, Jenna McGovern, Izzi Sistek, Pascual Morales, Chris Gankas, Evan Brown, Charlotte Pinegar, John H Steed, Jason Wall, Sophia Kofoed, Kristen Miller, Johnny McConville, Jake Twomey, Eva Lawson, Steve Balkcom, Mar Lopez, Mariah Edmonds Smith, Stephanie Katers, Bill Woodbrigde, Drew Hart, Juan Cardenas, Evie Lynn, Eric Roachell , Robert Bueno, Mati Waiya, Martin A Rodriguez, Spenser Jaimes, David Cardona, Bill Hickman, Brook Balthaser, Katie Davis and Sheri Higgins addressed the Board.

A motion was made by Supervisor Hartmann, seconded by Supervisor Lee, that this matter be acted on as follows: Accepted into the record the following documents: Public Comment Letter from Paasha Mahdavi dated October 31, 2025 at 1:59pm; Public Comment Letter from Noah Bolan, Heal the Ocean dated October 31,2025 at 2:43pm; Public Comment Letter from Helen Johnson dated November 2, 2025 at 9:47am; 386 Public Comment Letters from individuals via CivicHub dated October 31, 2025 between 1:18pm – 1:37pm; Public Comment Letter from Nicholas Sebastian dated November 3, 2025 at 10:11am; Public Comment Letter from Laurence Severance dated November 3, 2025 at 12:12pm; Public Comment Letter from Katie Davis dated November 3, 2025 at 12:40pm; Public Comment Letter from Elena Nirgiotis dated November 3, 2025 at 3:35pm; Public Comment Letter from Gregory Sater dated November 3, 2025 at 4:29 pm; Two (2) Public Comment Letters from Kalena Sapp dated November 3, 2025 at 5:00 pm and 5:27 pm; and Public Comment Letter from Christie Lynn dated November 3, 2025 at 11:38 pm.

The motion carried by the following vote:

Ayes: 4 - Supervisor Lee, Supervisor Capps, Supervisor Hartmann, and Supervisor Lavagnino

Noes: 1 - Supervisor Nelson

A motion was made by Supervisor Lee, seconded by Supervisor Hartmann, that this matter be continued, as follows: Tuesday, December 16, 2025 in Santa Maria, for consideration and approval of the prepared findings supporting the approval of the appeals and the denial of the Change of Owner, Operator, and Guarantor.The motion carried by the following vote:

Ayes: 4 - Supervisor Lee, Supervisor Capps, Supervisor Hartmann, and Supervisor Lavagnino

Noes: 1 - Supervisor Nelson

EXHIBIT 2

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October 31, 2025

County of Santa Barbara
Office of the Clerk of the Board
105 E. Anapamu Street, Room 407
Santa Barbara, CA 93101
sbcob@countyofsb.org

Re: Response to Appeals of Planning Commission Approval of Change of Owner, Guarantor, and Operator for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant, and Las Flores Pipeline System

On behalf of Sable Offshore Corp. ("Sable"), Pacific Pipeline Company ("PPC"), and Pacific Offshore Pipeline Company ("POPCO"), the applicants (collectively, the "Applicants") for the Change of Owner, Guarantor, and Operator for the Las Flores Pipeline System ("Pipeline"), the Pacific Offshore Pipeline Company Gas Plant ("POPCO Facilities"), and the Santa Ynez Unit ("SYU") (collectively, the "Facilities," and the approvals, the "Transfers"), we write to provide additional information regarding the appeals of the County Planning Commission's ("Planning Commission") October 30, 2024, approval of the Transfers (the "Appeals"). The Appeals are again before the Board of Supervisors (the "Board") following the Board's 2-to-2 tie vote at the February 25, 2025 hearing and the subsequent litigation, resulting in a court order confirming that the Board's authority in considering the Transfers is limited by the text of Santa Barbara County Code ("County Code") Chapter 25B. The Appeals, which are the same appeals considered at the February 25, 2025, hearing, allege that the Planning Commission erred in approving the Transfers and request this Board's review of the Applicants' requests. As confirmed by County staff and detailed below, the Planning Commission acted appropriately in approving the Transfers based on the requirements of the County Code and the evidence in the County's record. Thus, consistent with the County staff's initial recommendation, the Planning Commission's approval, and staff's current recommendation, the Applicants respectfully request that the Board deny the Appeals, adopt the proposed findings ("October 2025 Proposed Findings"), and approve the Transfers.

I. OVERVIEW

This Board has been ordered by the U.S. District Court for the Central District of California to "affirm, reverse, or modify" the Planning Commission's approval of the Transfers, and, in doing so, to "comply with the requirements of Chapter 25B." (Sept. 12, 2025, Order re Cross-Motions for Summary Judgment ("Order re Cross-Motions for Summary Judgment"), p. 25, n. 17 attached

as Ex. 1.) As this Board recognized in 2023 when it approved a substantially similar application,[1] County Code Chapter 25B sets forth a narrow and straightforward process by which the County formalizes the transfer of County permits from one owner, operator, or guarantor of County-permitted oil and gas facilities to another. By design, this process is narrow and mandatory: "Upon making the findings listed in Sec. 25B-10.1, the planning commission *shall* approve the change of operator." (County Code §§ 25B-10(b) [emphasis added]; 25B-9(g) [same for change of owner and guarantor].) The Applicants have met the County Code's requirements, as was confirmed by County staff in their recommendation to the Planning Commission that the Transfers be approved, and the Planning Commission correctly made the findings for approval of the Transfers on November 4, 2024 (the "Commission Findings").

In its September 12, 2025, Order in *Sable Offshore Corp. v. County of Santa Barbara*, Case No. 2:25-cv-04165-DMG-AGR (the "Litigation"), the court held that the Board's duty to affirm, reverse or modify the Planning Commission's decision approving the Transfers "is ***mandatory*** and ***ministerial***." (Order re Cross Motions for Summary Judgment (Ex 1), p. 21.)[2] In explaining its holding, the court cited its authority to "compel the Board to *exercise* its discretion" until this Board "reaches a determination in compliance with the requirements of Chapter 25B . . ." (*Id.* at 23 [emphasis in original].) The court's order requires that the Board's decision be "tethered to the factual findings under Chapter 25B-8, 9, and 10. . ." (*Id.* at 24.) Accordingly, this Board may not deny the Appeals merely because some Supervisors believe that "restarting the facilities and pipeline [is] . . . an 'insane' and 'bad' idea" or because preventing "restart" is the "'right thing to do'"—examples specifically cited by the court as insufficient justification for a decision. (*Id.* at 25, n. 17.) Such considerations are beyond the scope of the County Code.

The scope of the Board's authority in relation to the Transfers is narrowly prescribed by the requirements of Chapter 25B, and the Applicants have fully satisfied them. As was the case at the February 25, 2025, hearing, Appellants have not identified any actual deficiencies in the Applicants' applications or the Commission Findings. Instead, Appellants, as well as other public commenters, seek to transform this simple permit transfer process into a full-blown trial on the future of oil operations in Santa Barbara County far exceeding the County's Chapter 25B jurisdiction. The Facilities are fully permitted. And regulation of oil extraction, oil processing, and oil pipelines is governed by federal and state law, which preempts the Board from considering the issues raised by Appellants. In fact, the Board recognized the narrow scope of its role with respect to Chapter 25B in September 2023, when it denied a substantially similar appeal against the previous change of owner, guarantor, and operator, of some of the same facilities, under the same County Code requirements. (2023 Board Approval (Ex. 2).)

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[1] County of Santa Barbara Board of Supervisors Action Letter for the Appeal of the Change of Ownership, Change of Guarantor, and Change of Operator of the Las Flores Pipeline System (formerly AAPL Lines 901/903); 88-DPF-033 (RV01)z, 88-CP-60 (RV01)(88-DPF-25cz; 85-DP-66cz; 83-DP-25cz) (Case No. 23APL-00027), Sept. 19, 2023 ("2023 Board Approval"), attached as Ex. 2.

[2] In the Litigation, the environmental groups Environmental Defense Center ("EDC"), Get Oil Out! ("GOO!"), Santa Barbara County Action Network ("SBCAN"), Sierra Club, and Santa Barbara Channelkeeper ("SBCK") (collectively, "Intervenors") intervened. One of the Appeals before the Board was brought by Intervenors EDC, GOO!, and SBCAN.

Appellants continue to invite error by urging the Board to arbitrarily consider factors beyond Chapter 25B, which would contravene the court's order, rather than apply the Code as written. Accordingly, the Applicants devote the majority of this submission to reconfirming the Applicants' compliance with the relevant portions of the County Code and the mandatory nature of the Board's review. However, the Applicants recognize that Appellants have raised issues that, while not appropriate for consideration under Chapter 25B, may nonetheless be matters that the Board wishes to understand more fully. Accordingly, and without waiver of its position that the Board would act in excess of its jurisdiction were it to grant the Appeals based on such matters, the Applicants also endeavor to address the other issues raised in the Appeals.

Ultimately, there is only one outcome consistent with the Board's duties under the County Code, and it is the outcome adopted already by the Planning Commission: the Transfers should be approved, and the Appeals should be denied in their entirety.

II. BACKGROUND ON FACILITIES INVOLVED

The Facilities are existing permitted facilities authorized to treat and transport crude oil and natural gas from offshore platforms in the Santa Barbara Channel. Following the procedures set forth in Chapter 25B, the Applicants applied for and the Planning Commission approved the Transfers for the Facilities in a manner that is fully consistent with the County's last approval transferring owner, guarantor, and operator status for the Facilities.

A. The Las Flores Pipeline System

The Pipeline is authorized under County Final Development Plan Permits ("FDP") 88-DPF-033 (RV01)z, 88-CP-60 (RV01), 88-DPF-25cz, 85-DP-66cz, and 83-DP-25cz. The Pipeline is a crude oil pipeline that generally runs from the Gaviota Coast to the Kern County boundary. The Planning Commission approved, and in September 2023 this Board affirmed, a Change of Owner, Guarantor, and Operator for the Pipeline that transferred owner, guarantor, and operator status from Plains Pipeline L.P. to Pacific Pipeline Company ("PPC"), Exxon Mobil Corporation ("ExxonMobil"), and ExxonMobil Pipeline Company ("EMPCo"), respectively. (2023 Board Approval (Ex. 2).)

In the instant case, the Planning Commission, following the same County Code criteria confirmed by both the Planning Commission and this Board in 2023 to be binding and applicable, approved a Change of Guarantor and Operator of the Pipeline from ExxonMobil to Sable. PPC remains the legal owner of the Pipeline, with ownership and control of PPC changing from ExxonMobil to Sable.[3]

[3] The Planning Commission did not consider the transfer of ownership of PPC and POPCO, as both companies remain the owner of their respective facilities; however, the Applicants' applications addressed both transfers and demonstrated that the Chapter 25B criteria were fully met with respect to PPC and POPCO, as well. (Planning Commission Hearing Staff Report for a Change of Owner, Operator, and Guarantor for the Santa Ynez Unit, POPCO Gas Plant, and Las Flores Pipeline System Final Development Plan Permits, Oct. 22, 2024 ("Commission Hearing Staff Report"), attached as Ex. 3, p. 2; *see also* Application Materials and Responses to Letters of Incompleteness.)

B. POPCO Facilities

The POPCO Facilities are authorized under County FDP 93-FDP-015 and 74-CP-ll (RVl). The Planning Commission approved a Change of Guarantor and Operator of the POPCO Facilities from ExxonMobil to Sable. The POPCO Facilities are onshore oil and gas processing facilities located in the Las Flores Canyon. POPCO remains the legal owner of the POPCO Facilities, with ownership and control of POPCO changing from ExxonMobil to Sable.[4]

C. Santa Ynez Unit

The SYU is authorized under County FDP 87-DP-32cz (modified on July 25, 2001, with 87-DP-032cz (RV05) Synergy Project) (modified on Feb. 19, 2003, with 87-DP-032cz (RV06) Offshore Power Cable Repair & Enhancement Project). The SYU is comprised of the onshore components connecting offshore platforms Hondo, Harmony, and Heritage to the associated onshore processing facilities. The Planning Commission approved a Change of Owner, Guarantor, and Operator of the SYU from ExxonMobil to Sable.

III. COUNTY'S NARROW AUTHORITY

The Board has been ordered by the U.S. District Court for the Central District of California to make a determination on the Appeals "in compliance with the requirements of Chapter 25B." (Order re Cross-Motions for Summary Judgment (Ex. 1), p. 25, n. 17.) As such, the Board may not consider extra-jurisdictional factors outside the narrow scope of Chapter 25B to justify its decision. Chapter 25B outlines the straightforward inquiry that the County must undertake when evaluating a requested change of owner, operator, or guarantor of certain oil and gas facilities subject to a County FDP. Specifically, Sections 25B-9 and 25B-10 detail the findings that must be made, which are limited to compliance with discrete County-imposed requirements. The Code requires that,"[u]pon making the findings listed in [Section 25B-10(a)], the planning commission ***shall*** approve the change of operator." (County Code §§ 25B-10(b) [emphasis added]; 25B-9(g) [for change of owner or guarantor: "upon making the findings listed in Sec. 25B-9.1 to 9.6 the director ***shall*** approve the change of owner, operator, or guarantor" (emphasis added)[5]].)

The same is true with respect to this Board's review. (County Code § 25B-12(b)(4).) Consistent with this framework, the court specifically mandated that the Board's decision must be limited and "tethered to the factual findings under Chapter 25B-8, 9, and 10." (Order re Cross-Motions for Summary Judgment (Ex 1), p. 24.) Anything beyond this inquiry would conflict with the court's order.

Staff wrongly asserts in the October 24, 2025, Board Letter that the Transfers are subject to "discretionary review in accordance with County Code Chapter 25B." (October 24, 2025,

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[4] The POPCO Facilities and SYU were not transferred to ExxonMobil in 2023, as ExxonMobil already owned and operated them.

[5] *See* County Code § 25B-8(c) (authorizing Planning Commission review of combined applications "that include a component under the director's jurisdiction and another component under the planning commission's jurisdiction").

Board Letter for the November 4, 2025, Hearing ("October 2025 Board Letter") at p. 2.) This is incorrect. In the Litigation, the County acknowledged that Chapter 25B involves ministerial elements "that function like a checklist and require little judgment. . ." (Excerpts from Aug. 1, 2025 County Response to MSJ, pp. 8, 19, attached as Ex. 9) Likewise, the County admitted that "County staff has stated that the County's role in the FDP Transfers under Chapter 25B is to determine whether applications are consistent with Chapter 25B and whether the findings for approval can be made." (Excerpts from Aug. 1, 2025 Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 16-17.) As detailed below and as confirmed by the Commission Findings and staff recommendations to the Board, the Applicants have complied with all Chapter 25B requirements, and all the Findings were properly made.

IV. PROCEDURAL BACKGROUND

On February 14, 2024, the Applicants acquired full ownership of PPC and POPCO, including the Pipeline and POPCO Facilities, along with the SYU. On March 14, 2024, the Applicants submitted applications to the County to authorize the change of owner, operator, and guarantor for the Facilities pursuant to Chapter 25B. After working collaboratively with the Applicants, County staff determined the applications to be complete and recommended that the Planning Commission approve the Transfers. (Commission Hearing Staff Report (Ex. 3), pp. 2-3.) After a lengthy and thorough hearing—lasting approximately six hours—on October 30, 2024, the Planning Commission made the Findings and approved the Transfers by a vote of 3 to 1.[6]

The Center for Biological Diversity and Wishtoyo Foundation ("CBD Appellants") filed an appeal (the "CBD Appeal"), and the Environmental Defense Center, Get Oil Out!, and Santa Barbara County Action Network ("EDC Appellants") (together with the CBD Appellants, "Appellants") filed a separate appeal (the "EDC Appeal") (collectively, the "Appeals").

On February 20, 2025, County staff issued the board letter and staff presentation (respectively, the "February 2025 Board Letter" and "February 2025 Staff Presentation"), recommending the Board: (1) deny the Appeals, (2) make the necessary findings for approval, (3) find the Transfers are not a "project" under the California Environmental Quality Act ("CEQA"), and (4) grant *de novo* approval of the Transfers.

The Board hearing took place on February 25, 2025. In accordance with her longstanding practice, Supervisor Hartmann recused herself from the vote, stating that she has a conflict of

[6] The Planning Commission reviewed materials presented by Appellants and heard hours of testimony, including from Appellants, before making a determination on the Transfers. In deliberations, Commissioner Martinez stated, "I can appreciate every single word that's being said out there, because I do want to hear them. I do read them." (Excerpts from October 30, 2024, Planning Commission Hearing Transcript ("Excerpts from Commission Hearing Transcript"), attached as Ex. 5, p. 145.) Commissioner Reed noted, "I had concerns … they've been satisfied, based on the public comment, and so far, other information I have heard." (*Id.*, p. 148.)

interest because the Pipeline runs through her property.[7] After several hours of public comments, the four remaining Board members failed to reach a majority decision on the appeals, resulting in a 2-to-2 split vote. Subsequently, the County refused to transfer the FDPs, leaving the Applicants in an administrative and legal limbo.

On May 8, 2025, the Applicants and ExxonMobil, EMPCo, and Mobil Pacific Pipeline Company ("MPPC") (collectively, "Petitioners") filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Damages in the U.S. District Court, Central District of California, against the County and Board alleging, among other claims, that the County failed to comply with Chapter 25B by failing to act on the appeals. (*Sable Offshore Corp. v. County of Santa Barbara*, Case No. 2:25-cv-04165-DMG-AGR). On September 12, 2025, following a hearing on cross-motions for summary judgment, the court issued a peremptory writ of mandate ordering the Board to hold a new hearing to affirm, reverse, or modify the Planning Commission's decision in compliance with Chapter 25B. In its order, the court explained that in deciding the Appeals, the Supervisors must comply with the requirements of Chapter 25B. If the Board fails to act on the Appeals again, the court has mandated that it must hold a new hearing every 45 days until it reaches a decision in compliance with Chapter 25B.

V. BACKGROUND ON SABLE, PPC, AND POPCO

As previously explained in the Applicants' February 21, 2025, submission to the Board in connection with the prior Board hearing on the Appeals, Sable is managed by James C. Flores and a management team that have extensive experience in the oil and gas exploration and production business.[8] Sable's management team prides itself on their strong record of operating safely and successfully in many jurisdictions, including California and the Pacific Region of the Outer Continental Shelf. The Sable team has received numerous awards for operational excellence, national industry leadership, employee safety, occupational excellence, environmental lease maintenance, clean lease, operator of the year, and best management practices in habitat conservation from several agencies, such as the National Safety Council, the California Department of Conservation Division of Geologic Energy Management, and the U.S. Bureau of Land Management. Specific to the County, a company operated by this management team was awarded the County's first and only "Resolution for Good Operator" recognition for outstanding

[7] In addition to recusing herself from the February 25, 2025 Board hearing involving the Appeal of the Sable Offshore Corp.'s Change of Owner, Operator, and Guarantor of the Santa Ynez Unit, POPCO Gas Plant, and Las Flores Pipeline System Final Development Plan Permits, Supervisor Hartmann formally recused herself from the August 2023 hearing on an appeal from the Planning Commission's denial of PPC's proposal to install legally required safety valves on the Pipeline. She also recused herself from the September 19, 2023 hearing involving the Appeal of the Planning Commission Approval of the Change of Ownership, Change of Guarantor, and Change of Operator for the Las Flores Pipeline System (formerly Plains All American Lines 901/903) ("2023 Permit Transfer Appeal"), where the Board affirmed the Planning Commission's approval. On October 30, 2025, the Applicants submitted letters to County Counsel and the Supervisors requesting that Supervisor Hartmann and Chair Capps recuse themselves from the November 4, 2025 hearing to ensure a fair and impartial hearing. The letters are attached hereto as Ex. 6 (Hartmann) and Ex. 7. (Capps).

[8] *See* Sable Executive Management Profile, attached as Ex. 8.

operator performance and a County Commendation for outstanding maintenance. (Commission Hearing Staff Report (Ex. 3), pp. 23-24.)

The Sable management team and personnel have extensive experience operating in the Pacific Ocean, onshore in California, and off the coast of Texas and Louisiana. Sable's CEO and Chief Operating Officer have managed oil and gas exploration and production assets in these areas together for more than 30 years. (Commission Findings, pp. 6, 13.) Sable's upper management team has extensive previous experience managing the Point Pedernales and Point Arguello Facilities also located in Santa Barbara County. (*Id*.) Operations previously supervised by Sable's management team include Platform Irene, the Lompoc Oil & Gas Plant and associated pipelines, Platforms Harvest, Hidalgo, Hermosa and the Gaviota Oil & Gas Plant and associated pipelines, as well as onshore operations in the Bakersfield and Los Angeles areas.

Further, the vast majority of the 48 experienced operations personnel responsible for overseeing operations at the Facilities transferred from ExxonMobil to Sable when Sable acquired the Facilities. These personnel have an average industry experience level of 20 years, helping to ensure a smooth transition. Sable's onsite management team, including the Construction Manager, the Senior Regulatory and Compliance Supervisor, the Senior Health, Safety & Environment Supervisor, the Production & Maintenance Manager, the Plant Superintendent, and the Plant Foremen have all transferred over from the same or similar leadership roles at the Las Flores Canyon Facilities under ExxonMobil—these key onsite employees have an average of 23 years of experience in the oil and gas industry, and an average of 21 years of service at the Las Flores Canyon Facilities specifically. (*Id*.)

VI. PREEMPTION LIMITS ON COUNTY AUTHORITY

In the Litigation, the County claimed that only one provision of Chapter 25B allows for any exercise of discretion—the "operator capability" finding at Section 25B-10(a)(9), which the County claimed calls for the exercise of discretion. (*See* Excerpts from Aug. 1, 2025, County Response to MSJ (Ex. 9), p. 19.) The Applicants do not agree that the "operator capability" finding allows for any discretion. As explained in detail below, any suggested discretion associated with the "operator capability" finding is preempted with respect to the Pipeline, and any remaining County review of operator capability provided for in Chapter 25B is ministerial. Appellants have argued that this "operator capability" provision may be used to evaluate whether or not the Applicants can safely operate the Pipeline. (EDC Appeal, Attachment, pp. 4, 5, 6, 27, 28 [alleging that with respect to Section 25B-10(a)(9), "Sable's management team cannot be relied on to safely operate these facilities"].) However, any review of "operator capability" by the County is wholly preempted with respect to the Pipeline, and the Board cannot grant the Appeals based on any "operator capability findings" related to the Pipeline. Under well-established preemption principles, a local enactment is void if it duplicates, contradicts, or invades a field fully occupied by general law. (*Chevron U.S.A. Inc. v. County of Monterey* (2023) 15 Cal.5th 135, 143-46.) Here, federal and state law fully occupy the field in the areas of pipeline safety, pipeline operations, and pipeline operator financial responsibility, and therefore preempt the County from directly or indirectly (by failing to take mandatory ministerial actions) regulating those areas.

A. Blanket Preemption With Respect to Pipeline Safety under HLPSA

Federal law, through the Hazardous Liquid Pipeline Safety Act ("HLPSA"), 49 U.S.C. §§ 60101–60143, vests exclusive authority over pipeline safety in the Pipeline and Hazardous Materials Safety Administration ("PHMSA"). The HLPSA expressly preempts any state or local attempt to impose additional or different safety standards on interstate pipelines, and it permits regulation of intrastate pipelines only by a single state agency certified by PHMSA. (49 C.F.R. § 195 app. A (2024).) Courts have consistently rejected local efforts to impose their own safety requirements in this area. (*See Sneddon v. Torch Energy Servs.* (2002) 102 Cal.App.4th 181, 187 [HLPSA preempts local regulation of pipeline safety]; *Olympic Pipe Line Co. v. City of Seattle* (9th Cir. 2006) 437 F.3d 872, 880 [invalidating local safety conditions as preempted].) California has accepted PHMSA's delegation of authority for intrastate pipelines through the Elder California Pipeline Safety Act (Gov. Code §§ 51010-51019.1) ("Elder Act"), which provides the Office of the State Fire Marshal ("OSFM") with "exclusive safety regulatory and enforcement authority over intrastate hazardous liquid pipelines." (Gov. Code § 51010.) The Act further directs OSFM to adopt procedures for maintaining, testing, and inspecting pipelines and mainline valves, which further occupy the field. (*Id.* § 51015.4(c).) Because OSFM's jurisdiction is exclusive, counties are precluded from imposing their own safety or design requirements. (*Sneddon*, 102 Cal.App.4th at 187.)

As explained in *Olympic Pipe Line Co.*, the purpose of the HLPSA is to "provide adequate protection against risks to life and property posed by pipeline transportation and pipeline facilities by improving the regulatory and enforcement authority of the Secretary of Transportation." (437 F.3d at 877-78 [citing 49 U.S.C. § 60102(a)(1)].) "Federal legislation seeks to provide 'a national hazardous liquid pipeline safety program with nationally uniform minimal standards and with enforcement administered through a Federal–State partnership.'" (*Id.* [citing 49 C.F.R. pt. 195, app. A].) State authorities are accordingly not permitted to adopt any regulations related to intrastate pipelines unless they are certified under HLPSA section 60105(a). (*Id.* at 878-79.)

This prohibition is absolute: local agencies like the County are not permitted to evaluate whether or not the Applicants can operate the Pipeline safely. Such evaluations are preempted in their entirety. Thus, to the extent Chapter 25B could be interpreted to allow the County to evaluate, impose conditions upon, or otherwise regulate Pipeline safety and operations, it is preempted and void.

The Board is also preempted from conditioning or denying the Transfers based on concerns about the timing or conditions associated with the flow of oil through the Pipeline. The Elder Act assigns to OSFM exclusive authority to review an operator's risk analysis and implementation plan and assess a pipeline's fitness for petroleum transportation. (*See* Gov. Code §§ 51010, 51013.1(c) [authorizing OSFM to adopt regulations providing "a process to assess the adequacy of the operator's risk analysis"]; 19 C.C.R. §§ 2000-2120 [regulations include defining automatic shutoff systems, creating a process to assess the adequacy of the operator's risk analysis, creating a process by which an operator may request confidential treatment of information submitted in the plan, and determining how near to an environmentally and ecologically sensitive area a pipeline must be to be subject to the requirements of Section 51013.1 regarding installing best available technology to minimize oil spill risk].)

The County acknowledged and affirmed these limitations in a settlement agreement with a prior operator related to Pipeline operation. Pursuant to this 1988 Settlement Agreement between the County and Celeron/All American, the "County shall have no authority over the design, construction and operation of [the Pipeline]" except as outlined in that agreement. (Settlement Agreement between the Celeron Pipeline Company of California and County of Santa Barbara, Feb. 8, 1988 ("Celeron Settlement"), attached as Ex. 10, Sec. 2.2.) The County further confirmed its absence of jurisdiction in the Litigation. The County admitted that it is "[u]ndisputed" that the "[Celeron] settlement agreement . . . confirmed the County's lack of jurisdiction over pipeline." (Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 17-18.) The Celeron Agreement confirms that the County lacks the ability to evaluate or condition Pipeline safety beyond what was provided for in the settlement agreement. (Celeron Settlement (Ex. 10), Sec. 2.3.)

Consistent with these well-established principles, County staff has admitted on multiple occasions that the "County has no authority to oversee [such] state and federal safety and restart requirements." (February 2025 Board Letter, p. 13; Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), p. 98 [County admission in the Litigation that it is "undisputed" that staff has stated that "the County has no authority to oversee [such] state and federal safety and restart requirements"]; *id*. at pp. 52-53 [County admission that staff stated that the Settlement Agreement "determined that the County does not have the jurisdiction to regulate any aspect of the design, construction, or operation of the pipeline that is already covered under [federal law]"].) Therefore, the County cannot grant the Appeals based on any evaluation of Pipeline "operator capability" with respect to the Pipeline.

B. Preemption With Respect to Financial Responsibility

The County is likewise preempted with respect to assessing the Applicants' financial responsibility with respect to potential oil spill prevention and response capabilities. The California Department of Fish and Wildlife Office of Spill Prevention and Response ("OSPR") is vested with exclusive authority to set and enforce evidence-of-financial-responsibility requirements for operators of oil pipelines. (Gov. Code §§ 8670.37.51, 8670.37.53, 8670.37.54.) These statutes establish a comprehensive regime for Certificates of Financial Responsibility ("COFRs"), leaving no room for local governments to impose additional or different requirements.

Government Code sections 8670.37.51, 8670.37.53, and 8670.37.54 provide that OSPR "shall" set and enforce evidence-of-financial-responsibility requirements and prescribe the amount, form, and oversight of COFRs. The Legislature's mandatory language and the statute's detailed scheme confirm that the field is fully occupied, leaving no room for local regulation. Further, County staff has admitted that Chapter 25B is "limited to ensuring facility fees are paid, and insurance, bonds, and financial guarantees reflect [the] new permittee." (February 2025 Staff Presentation, p. 10.) Staff also confirmed that the Applicants had satisfied these requirements by submitting the COFR for the SYU, which OSPR accepted, and that the County "cannot require financial documents where not already required." (February 2025 Staff Presentation pp. 7, 10; Aug. 1, 2025 Excerpts from Memorandum Responding to Petitioner's Statement of

Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 95-96 [County admission in the Litigation that it is "undisputed" that staff has stated with respect to COFRs that Chapter 25B is limited to ensuring facility fees are paid and that insurance, bonds, and financial guarantees reflect the new permittee].) Thus, the County is preempted from requiring additional or alternative evidence of financial responsibility as part of any evaluation of "operator capability."

C. Other Preemption

In addition, the State Lands Commission regulates oil and gas production operations on State tide and submerged lands. (2 C.C.R. § 2129(a).) Similarly, the California Department of Industrial Relations – Division of Occupational Safety and Health ("Cal/OSHA") establishes minimum safety standards for drilling, production, refining, and transportation of petroleum products. (8 C.C.R. §§ 6502, 6750.) And oil and gas operations in federal waters are regulated by the Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement. (43 U.S.C. § 1331; 30 C.F.R. § 550.101.) These regulations completely "occupy the field" and preempt local regulation of oil and gas production, pipeline operations, and safety work.

Thus, the County is preempted by a comprehensive federal and state regulatory scheme that vests the federal and state government with exclusive jurisdiction over pipeline safety, design and the flow of oil through the Pipeline and with respect to financial responsibility for spill response.

VII. TRANSFERS MEET ALL REQUIREMENTS AND MUST BE APPROVED

The County's inquiry when determining whether to approve or deny a change of owner, operator, or guarantor is limited to determining conformity with County-imposed requirements under Chapter 25B and further limited by the preemption doctrines outlined above. Chapter 25B imposes a total of nine requirements that overlap for owner (five requirements), guarantor (one requirement), and operator (nine requirements). Each of the nine requirements are ministerial, requiring the Planning Commission to apply "fixed standards" to determine "objective" facts, such as whether fees have been paid or documents provided, or whether Sable is in conformity with various County requirements. (*Health First v. March Joint Powers Auth*. (2009) 174 Cal.App.4th 1135, 1143.) Upon making the findings, Chapter 25B mandates that "the planning commission ***shall*** approve the change" of operator, owner, or guarantor. (County Code §§ 25B-10(b); 25B-9(g); 25B-8(c).)

At the October 30, 2024, hearing, the Planning Commission made the required determination with respect to each of its Findings and granted approval of the Transfers. Each of the Commission Findings, summarized below, should be affirmed.

A. Fees and Exactions (County Code § 25B-9(a)(1), 25B-10(a)(1)) (Owner, Operator)

To make this finding, the County must determine whether "all outstanding County-required fees and exactions due for the facility have been paid." (County Code §§ 25B-9(a)(1), 25B-10(a)(1).)

This requirement has been met. As the Planning Commission correctly found, and the February 2025 Board Letter, Staff Presentation, and the October 2025 Proposed Findings confirm, "the requirements of this finding are satisfied" and there are "no outstanding payments" due for the Facilities. (Commission Findings, pp. 1, 3, 7, 10; February 2025 Board Letter, p. 16; February 2025 Staff Presentation, p. 6; October 2025 Proposed Findings, pp. 1, 3-4, 7, 12.) Planning staff consulted with other County staff to confirm that no outstanding payments are due and that there were no related planning or compliance cases requiring fees or exactions that have not yet been paid. (*Id.*)

B. Financial Instruments (County Code § 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2)) (Owner, Operator, Guarantor)

To make this finding, the County must determine that "all necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance have been updated, if necessary, *to reflect the new operator and will remain in full effect following the operator change*." (County Code §§ 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2) [emphasis added].)

This requirement has been met. As the Planning Commission correctly found, and the Board Letter, Staff Presentation, and October 2025 Proposed Findings confirm, all previously required bonds and endowments under the FDPs have been satisfied. (Commission Findings, pp. 2, 4, 6-7, 9-10; February 2025 Board Letter, pp. 4-5, 16; February 2025 Staff Presentation, pp. 6, 8, 10; October 2025 Proposed Findings, pp. 1-2, 4, 8, 12.) The Planning Commission further correctly found that the only other County-imposed financial obligations contained in the FDPs would only be triggered upon the permanent closure of the respective Facilities. (Commission Findings, pp. 2, 6-7, 9-10; February 2025 Staff Presentation at 10; October 2025 Proposed Findings, pp. 1-2, 4, 8, 12.) As none of the Facilities have permanently closed, the Planning Commission correctly determined that the requirements of this finding have been satisfied.

While this is all that is required for the County's Findings, the Facilities nevertheless are subject to separate and distinct financial responsibility requirements set forth by OSPR. (*See* Gov. Code § 8670.37.53.) OSPR has certified that the Applicants have sufficient financial resources to cover the costs of response for any "worst-case scenario" spill. (Commission Hearing Staff Report (Ex. 3), p. 11.) The Applicants have also met OSPR's requirements by demonstrating financial responsibility of up to $101 million—the maximum statutory amount—for each of the three Facilities.[9] (*Id.*)

[9] As explained at the Planning Commission hearing, the Applicants have insurance covering the Facilities in a far greater amount—over $400 million——(which has been increased to $700 million subsequent to the hearing) but the OSPR maximum for certification is $101 million. (Excerpts from Commission Hearing Transcript (Ex. 5), p. 11.)

C. Permit Obligations Acceptance (County Code § 25B-9(a)(3), 25B-10(a)(3)) (Owner, Operator)

To make this finding, the County must confirm that "the proposed operator has provided a letter from a responsible official representing the proposed operator formally accepting all conditions and requirements of the permit." (County Code §§ 25B-9(a)(3), 25B-10(a)(3).)

This requirement has been met, and the Planning Commission correctly found that the requirements of this finding were satisfied. (Commission Findings, pp. 2, 4, 7, 10; February 2025 Board Letter, p. 16; February 2025 Staff Presentation at 6; October 2025 Proposed Findings, pp. 2, 4, 8, 12-13.) The Applicants provided the County with a signed Agreement to Comply with Conditions of Approval for each of the Facilities dated March 14, 2024, accepting all conditions and requirements of each of the FDPs. (Agreements to Comply with Conditions of Approval (Mar. 14, 2024), attached as Ex. 11.)

D. Copy of Safety Audit (County Code § 25B-9(a)(4), 25B-10(a)(4)) (Owner, Operator)

To make this finding, the County must confirm that the "current owner or operator has provided a copy of the most recent county-conducted comprehensive safety audit of the physical facility, along with a description of the status of implementing its recommendations, to the proposed new operator." (County Code §§ 25B-9(a)(4), 25B-10(a)(4).)

This requirement has been met, and the Planning Commission correctly determined that this finding had been satisfied and that copies of the necessary audit information had been provided by ExxonMobil to Sable as the new owner/operator. (Commission Findings, pp. 2, 4, 8, 11; February 2025 Board Letter, p. 16; February 2025 Staff Presentation at 6; October 2025 Proposed Findings, pp. 2-4, 8-9, 13.) Related to the SYU and POPCO, the Planning Commission determined that the County's Systems Safety & Reliability Review Committee had deferred annual audits until the flow of oil through the Pipeline resumed. (Commission Findings, p. 2.) Related to the Pipeline, the Planning Commission noted that the Celeron Settlement "determined that the County does not have the jurisdiction to regulate any aspect of the design, construction, or operation of the pipeline." (*Id.*, p. 11.) While no County-conducted safety audits are required for the Pipeline, safety audit information from PHMSA and OSFM safety audits from 2018 to 2023 were provided to the County and Applicants. (*Id.*)

E. Compliance with Permit Requirements as of Application Date (County Code § 25B-9(a)(5), 25B-10(a)(5)) (Owner, Operator)

To make this finding, the County must determine that, "[a]s of the date that the application is deemed complete, the current operator is in compliance with all requirements of the permit." (County Code §§ 25B-9(a)(5), 25B-10(a)(5).)

This requirement has been met. The County determined that the application was complete on July 30, 2024. The Planning Commission correctly determined, and the February 2025 Board Letter and February 2025 Staff Presentation confirm, that this requirement was satisfied, as the owner/operator "is in compliance with all requirements of the FDP" and "[n]o notices of violation

had been issued" by the County as of July 30, 2024. (Commission Findings, pp. 3, 8; February 2025 Board Letter, pp. 7-8; 16; February 2025 Staff Presentation, pp. 6, 11; October 2025 Proposed Findings, pp. 3-4, 9, 13-14.)

F. Updated Contact Information on Safety Plans (County Code § 25B-10(a)(6)) (Operator)

To make this finding, the County must confirm that the "***current owner and proposed operator have updated***, where applicable, any existing, approved safety inspection maintenance and quality assurance program, emergency response plan, fire protection plan, and oil spill contingency plan, or equivalent approved plans, ***with current emergency contact information pertaining to the new operator***." (County Code § 25B-10(a)(6) [emphasis added].) The inquiry is limited to the *contact information* listed in these plans and does not entail the review or evaluation of substantive contents contained within the plans.

This requirement has been met. With respect to the SYU, Sable submitted all major Compliance Plans (e.g., Fire Protection Plan, Emergency Response Plan, etc.), which were reviewed by County staff, the Santa Barbara County Systems Safety & Reliability Review Committee ("SSRRC"), the County Fire Department, and/or P&D Energy Division's consultant, where appropriate. (Commission Hearing Staff Report (Ex. 3), pp. 16-17.) For the POPCO Facilities, POPCO and Sable have submitted all major Compliance Plans, which are integrated between the two entities. (*Id.*, p. 28.) With respect to the Pipeline, PPC and Sable submitted all major Compliance Plans, which, like the SYU, were reviewed by SSRRC, the County Fire Department, and P&D Energy Division's consultant, where appropriate. (*Id.*, p. 35.) The following list of Compliance Plans, by facility, were submitted to the County. (*Id.*)

Facility	**Plan**[10]
Las Flores Pipeline	Las Flores Pipelines Integrated Contingency Plan (dated February 2024)
	Las Flores Pipelines Noise Monitoring and Control Plan (dated April 2024)
	Las Flores Pipelines Pump Station Fire Protection Plan
	Las Flores Pipelines SIMQAP (dated June 2024)
	Las Flores Pipelines Site Security Plan (dated April 2024)
SYU/POPCO	SYU/POPCO Emergency Response Plan (dated June 2024)
	SYU/POPCO Fire Protection Plan (dated August 13, 2024)
	SYU/POPCO Groundwater Management Plan (dated July 2024)
	SYU/POPCO Integrated Noise Monitoring Plan (dated April 2024)
	SYU/POPCO NGL Inventory Management Plan
	SYU/POPCO Preservation Plan (dated 4Q2022)
	SYU/POPCO Security Control Plan (dated July 2024)

[10] Available at https://cosantabarbara.app.box.com/s/wzk06i8dw18ow6f32xz1bznrf3v0teid.

	SYU/POPCO SIMQAP (dated June 2024)
	SYU/POPCO Transportation Risk Management and Prevention Program (TRMPP) (dated April 2024)
	Santa Barbara Harbor Use Plan (dated May 2, 2024)

The Planning Commission correctly determined that "all relevant compliance plans have been updated with the current emergency contact information" for the Applicants as required by the County Code. (Commission Findings, pp. 4-5, 8, 11; February 2025 Staff Presentation, p. 6; October 2025 Proposed Findings, pp. 4-5, 9-10, 14.)

G. Approved Transitional Plan (County Code § 25B-10(a)(7)) (Operator)

To make this finding, the County must confirm that the current owner/operator and proposed operator "have submitted a transitional plan that will demonstrate that the proposed operator shall receive adequate training" to develop good working knowledge of the transferring facilities. (County Code § 25B-10(a)(7).)

This requirement has been met. On October 22, 2024, the Applicants submitted comprehensive Transition Plans, dated July 2024, and the Planning Commission correctly determined that this requirement was satisfied. (Commission Findings, pp. 5, 8, 12; February 2025 Board Letter, p. 16; February 2025 Staff Presentation, p. 6; October 2025 Proposed Findings, pp. 5-6, 10-11, 14-15.) PPC is also bound by the Consent Decree between the former owner Plains Pipeline L.P. and several state and federal agencies regarding the 2015 release from the former Line 901, which is part of the Pipeline. (Consent Decree Assumption Agreement (Oct. 13, 2022), attached as Ex. 12.)

H. County-Approved Emergency Response Drill (County Code § 25B-10(a)(8)) (Operator)

To make this finding, the County must determine that "the proposed operator has adequately performed one or more county approved emergency response plan drills necessary to respond to emergency episodes that may occur." (County Code § 25B-10(a)(8).)

This requirement has been met. On September 19, 2024, and again on September 18, 2025, in coordination with the County Fire Department's Office of Emergency Services and other regulatory agencies, the Applicants conducted a comprehensive emergency response drill for the SYU and POPCO facilities. (Commission Findings, pp. 5, 9; October 2025 Proposed Findings, p. 6.) Related to the Pipeline, the Applicants conducted a comprehensive training exercise and emergency response drills on July 25, 2024 and again on July 17, 2025, in accordance with County requirements. (Commission Findings, p. 12; October 2025 Proposed Findings, p. 15.) The Planning Commission correctly determined that this requirement was satisfied. (Commission Findings, pp. 5, 9, 12; February 2025 Board Letter, p. 16; February 2025 Staff Presentation, p. 6; October 2025 Proposed Findings, pp. 6, 11, 15.)

I. Operator Record of Skills, Training, and Resources (County Code § 25B-10(a)(9)) (Operator)

To make this finding, the County must determine that the proposed owner/operator has the "skills, training, and resources necessary to operate the permitted facility" and the "ability to comply with compliance plans." (County Code § 25B-10(a)(9).) As noted above, this finding is fully preempted with respect to the Pipeline.

This requirement has been met. Sable's team in California includes essentially the entire workforce of the prior owner/operator comprised of 48 individuals who joined Sable that were previously operating and maintaining the SYU and POPCO Facilities under the prior owner/operator (more than 90% of the prior personnel). Sable's management team has extensive experience safely operating oil and gas production facilities in Santa Barbara County. The same well-trained, experienced, and knowledgeable team will continue to fill the roles they have been successfully filling since the County last approved the Pipeline's transfer. This team has an excellent safety record, is very familiar with the facilities, understands the operating requirements for these facilities, and is trained and ready to respond to any incident. With respect to the Las Flores Canyon facilities, Sable's onsite middle management team members have all transferred over from similar roles at the Facilities under ExxonMobil, with an average of 21 years of experience working at the facilities. Approximately 64 percent of employees for the SYU and POPCO facilities have transferred from ExxonMobil in their same or similar capacity. All employees and management teams have been trained on the facility-specific compliance plans.

The Planning Commission correctly determined, and the February 2025 Board Letter and February 2025 Staff Presentation confirm, that this requirement has been satisfied. (Commission Findings, pp. 6, 9, 12-13; February 2025 Board Letter, pp. 10-12, 16; February 2025 Staff Presentation, pp. 6, 13-14; October 2025 Proposed Findings, pp. 6-7, 11, 15-16.) The Planning Commission cited the extensive subject-matter expertise of Sable's management team, representing an average of 31 years of experience operating oil and gas facilities within the County, and the on-site management team's more than two decades of average experience. (Commission Findings, pp. 6, 12; October 2025 Proposed Findings, pp. 6-7, 11, 15-16.) Additionally, the Planning Commission noted that the team has had "zero major incidents involving crude oil and gas facilities within the U.S." while managing facilities between 2009 and 2021. (*Id.*) Sable's team also has had no major incidents since that time.

As noted above, this "operator capability" finding is entirely preempted as to the Pipeline. However, with respect to the "operator capability" finding (relevant only to operator transfers and only to SYU and POPCO), the County has suggested that it views the provision as including some limited room for County discretion ("I think the 25B process is very narrow, and the County's discretion is very narrow. But in making particularly the operator capability finding, the board is required to exercise some judgment in evaluating things. . ." [Excerpts from Hearing Transcript, LACV-25-4165-DMG, *Sable Offshore Corp., et al, versus County of Santa Barbara, et al.* (September 12, 2025), attached as Ex. 13, pp. 19-20]), and Appellants have argued for it to be used to impose essentially whatever requirements the County desires (EDC Appeal, Attachment, pp. 4, 5, 6, 27, 28). The Applicants respectfully disagree. Section 25B-10(a)(9) limits the scope of what can be considered in evaluating an operator's "skills, training, and resources" by specifically listing

what the decisionmaker may consider, such as: relevant records of compliance with respect to major incidents and systemic unsafe operations. (County Code § 25B-10(a)(9).) Section 25B-10(a)(9) requires the Planning Commission to determine that "[t]he proposed operator has the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes and has demonstrated the ability to comply with [certain specified] compliance plans." (*Id*.)

The text of this requirement makes it clear that the finding is ministerial because it confines the Planning Commission to reviewing *specifically enumerated* compliance records and corrective actions for major incidents at similar facilities, to ensure the proposed operator "does not reflect a record of non-compliant or unsafe operations systemic in nature for similar facilities." (Chapter 25B-10(a)(9); *see Harrison v. PPG Industries, Inc*. (1980) 446 U.S. 578, 588 [applying the rule "where general words follow an enumeration of specific items, the general words are read as applying only to other items akin to those specifically enumerated" to statutory construction].) Further, the operator capability finding cannot be read to allow the County discretion to include new financial assurances, bonds, fees, permit compliance, safety plans, audits, response drills, transitional plans, or compliance plans because all of those are specifically addressed by *other* sections of Chapter 25B. (*See generally* County Code § 25B-10.) The Board may not erase those specific requirements into a broad catch-all that would permit the Commission to consider factors specifically not included in any of the specific, required findings. Thus, the Board may only consider the records specified by Chapter 25B itself in reviewing the "operator capability" findings for SYU and POPCO. Regardless, as discussed above, the Applicants are experienced operators with an exceptional track record and have satisfied the operator capability finding, as confirmed by the Planning Commission and County staff.

VIII. APPEAL RESPONSES

The Appeals seek to wildly expand the County's jurisdiction under Chapter 25B and transform the simple permit process into a referendum on Appellants and the future of oil in Santa Barbara County. There is no lawful basis to do so. The court's order requires the Board to make a decision based on the factors set forth in Chapter 25B.[11] As the County admitted in the Litigation, its staff has already analyzed and rejected each of Appellants' arguments, finding none of the points raised in the appeals demonstrated noncompliance with Chapter 25B. (Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioners' Statement of Uncontroverted Facts (Ex. 4), p. 95).

As evidenced in the Findings and further detailed above, all the required findings can be and have been made. The Planning Commission complied with all County Code requirements in approving the Transfers and the Appeals should be denied. As Appellants make overlapping

[11] While the Appeals before the Board were brought by EDC, GOO!, and SBCAN, Intervenors to the Litigation also include Sierra Club and SBCK. As the composition of Appellants and Intervenors is substantially the same, the Applicants address some arguments raised on Appeal with statements made by Intervenors in the Litigation.

claims alleging that the Planning Commission erred in approving the Transfers, the responses below collectively address the allegations in both Appeals.

A. Existing Permits Authorize Operation of the Facilities

The Transfers were approved pursuant to the requirements of Chapter 25B, which governs the transfer of existing FDPs for oil and gas production facilities. Like the transfer of the FDP for the Pipeline that this Board approved in September 2023, the Applicants meet all the requirements under Chapter 25B and have worked collaboratively with County staff to process the Transfers.

The CBD Appellants wrongly assert that the County must require an entirely new FDP or other approval in order to approve the transfer of the permits for the Facilities, and they assert that the Planning Commission abused its discretion in "failing to require" new permits. (CBD Appeal, p. 3.) There is no basis for these assertions, and neither the County Code nor the already-approved FDPs include any such requirements. All that is required is that "[a]ny change of owner, merger of the owner with another company, or change of form of business organization, shall require application and approval as provided" in Chapter 25B, as the Applicants have done here. (County Code § 25B-4(e).) Contrary to the CBD Appellants' position, the Planning Commission determined that the Facilities are in compliance with ***all permit conditions***. (Commission Findings, pp. 3, 4, 8, 11; *see also* October 2025 Proposed Findings, pp. 3-4, 9, 13-14.) Indeed, the documents Appellants themselves attached to their prior submission to the Board demonstrate that Chapter 25B does *not* authorize reopening of the permits unless the permit itself provides such a provision upon transfer—which the permits do not. (2001 Staff Report, p. 18, attached as Ex. 14 [explaining that "[t]his language would not open permits up for negotiation of financial responsibility, except in cases where a permit already contains the basis for doing so."].)

The CBD Appellants vaguely assert that the Facilities no longer conform to various FDP conditions but provide no further detail as to which conditions they allege have been violated. (CBD Appeal, p. 3.) Rather, without support, they allege that the Planning Commission should have required a new or revised FDP after the 2015 Plains Oil Pipeline leak, which resulted in the temporary shutdown of the Pipeline, and that PPC is somehow in "non-conformity with existing permits and conditions of approval." (*Id.*) None of this is true. First, the County's jurisdiction to require any development conditions is materially limited by the Celeron Settlement, which confirmed that the "County shall have no authority over the design, construction and operation of Celeron's interstate pipeline" except as outlined therein. (Celeron Settlement (Ex. 10), Sec. 2.2; *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 53-53.) The CBD Appellants provide no evidence that the very limited circumstances outlined in the Celeron Settlement that would trigger the County's authority to impose conditions or that the County otherwise has authority to revoke the FDP or require a new permit have occurred. Further, as confirmed in the Board Letter, County Code Chapter 35, not Chapter 25B, considers permitting modifications (February 2025 Board Letter, p. 13); it would violate the Applicants' due process rights to revoke or modify the FDP in the context of a Chapter 25B proceeding.

Without citing any specific permit conditions, the CBD Appellants go on to state that certain activities trigger the need for a new or revised permit. (CBD Appeal, p. 3.) This, too, is

wrong. Under the Pipeline FDP, the Planning Commission may require a new or modified permit only when significant changes to the Pipeline are made, including major changes to the configuration and operation of the Pipeline. (Las Flores Pipeline System FDP, 88-DP-33 RV01, 88-CP-060 RV01, Condition A-7.) The County determined in 2023 that no major changes had occurred as a result of the 2015 spill or any activities that had occurred before or after that incident. (2023 Board Approval (Ex. 2), p. 6.) This Board found the same. (*Id*.) And the Board Letter and Staff Presentation confirm that there is no need for new permits, and that, in any event, revisions to the permits are not part of the Chapter 25B procedures. (February 2025 Board Letter at pp. 13-14; February 2025 Staff Presentation, p. 17.) CBD does not allege major changes since Sable obtained ownership—and, indeed, there have been none. Therefore, no new or modified permit is required pursuant to the FDP.

The CBD Appellants' attempt to avoid this result by asserting that the Planning Commission should have confirmed with OSFM and PHMSA that the Applicants are in compliance with all state and federal requirements to resume operations at the Facilities, including the Coastal Best Available Technology law and the Elder Act. (CBD Appeal, p. 3.) This argument conflates the County's approval of the Transfers—an administrative formality—with the authorizations needed to resume operation of the Facilities, which are made by state and federal authorities. To authorize the Transfers, the County is only required to find compliance with County-imposed requirements, not laws administered by OSFM and PHMSA. (County Code § 25B-10(a)(5); February 2025 Board Letter, pp. 11-12 ["Chapter 25B does not require that the permittee be in compliance with non-County permits and regulations."]; February 2025 Staff Presentation, p. 14.) As the County admitted in the Litigation, "County staff has repeatedly confirmed that Pipeline safety and restart are subject to the exclusive jurisdiction of state and federal authorities, not the County of Santa Barbara." (Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), p. 17). The County also agreed that it is "undisputed" that County staff stated "[t]he County has no role or responsibility in overseeing or determining pipeline safety restart requirements." (*Id*.)

Because the County does not have the authority to authorize the flow of oil through the Pipeline, it is precluded from duplicating the responsibilities of other agencies for the purposes of evaluating the Transfers. OSFM has ultimate authority over the flow of oil through the Pipeline, and nothing in the FDPs or Chapter 25B requires or permits the County to independently confirm compliance with these laws or otherwise infringe on OSFM's authority to implement them. (Gov. Code § 51010 ["the State Fire Marshal shall exercise exclusive safety regulatory and enforcement authority over intrastate hazardous liquid pipelines"].) The County's authority under County Code Chapter 25B is extremely limited in scope and the County is preempted from undertaking the review that the CBD Appellants insist is required. There is no basis under the FDPs or the County Code to revoke or modify the permits, nor is such revocation or modification authorized by Chapter 25B, which concerns only permit transfers.

B. Appropriate Financial Assurances Have Been Provided

Appellants are equally wrong with respect to their arguments regarding Sable's financial condition. Under Chapter 25B, the County's review of financial assurances is limited to assessing

the specific financial instruments required by County permits or County ordinance. (County Code §§ 25B-9(a)(2) [Owner change]; 25B-9(e)(1) [Guarantor change]; 25B-10(a)(2) [Operator change]; *see also* February 2025 Board Letter, p. 4; February 2025 Staff Presentation, pp. 7-10.) As confirmed by the Planning Commission in the Findings, the Applicants have fully complied with those requirements. All previously required bonds and endowments under the FDPs have been satisfied, and nothing additional is required. (Commission Findings, pp. 2, 4, 6-7, 9-10; October 2025 Proposed Findings, pp. 1-2, 4, 8, 12; *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 32-33.) As explained in the Findings, the additional financial requirements alleged to be required by Appellants are not triggered until the permanent shut down of the Facilities, which has not yet occurred. (Commission Findings, pp. 2, 6-7, 9-10; February 2025 Board Letter, p. 5; February 2025 Staff Presentation, p. 8; October 2025 Proposed Findings, pp. 2, 7-8, 12.) Thus, this finding has been satisfied, the appropriate financial assurances have been provided, and there is no basis for Appellants' arguments to the contrary.

Appellants' arguments that some greater or different assurances are required is also contrary to the County's—and specifically this Board's—longstanding application of Chapter 25B's financial assurance review requirements, the Planning Commission's findings on the Transfers, and the legislative history of Chapter 25B. As a threshold matter, any attempt by the County to impose greater requirements than those required by OSPR would be preempted for the reasons discussed above. *See supra* VI.B. Moreover, Chapter 25B itself is unambiguous and cannot be reasonably read to require additional assurances. It requires only that the specific financial instruments "approved by the County and necessary to comply with the permit and any county ordinance" are provided (with respect to the guarantor) or updated with new contact information (with respect to owner and operator). (County Code §§ 25B-9(a)(2), (e)(1), 25B-10(a)(2).) The "necessary insurance, bonds, or other instruments or methods of financial responsibility" are cabined to those "necessary to comply with the permit and any county ordinance." (*Id*.) This is an objective, ministerial inquiry, and there is no ambiguity: if the instrument is required by the FDPs or the Code, the County must confirm that Sable has provided or updated it; if it is not, the County cannot require it. Appellants' arguments are also inconsistent with the Board's prior practice. The Board did not require greater or additional financial assurances when it approved the prior permit transfer in 2023. (2023 Board Approval (Ex. 2), p. 3.)

Appellants made this same argument before the Planning Commission, which squarely found that all previously required bonds and endowments under the FDPs have been satisfied. (Commission Findings, pp. 2, 4, 6-7, 9-10). The Planning Commission further correctly found that the only other County-imposed financial obligations contained in the FDPs would be triggered solely upon the permanent closure of the respective Facilities. (Commission Findings, pp. 2, 6-7, 9-10.) As none of the Facilities have permanently closed, the Planning Commission correctly determined that the requirements of this finding have been satisfied. Finally, Appellants' arguments that the Board may consider greater or different assurances, are also directly contradicted by the legislative history of Chapter 25B itself. Specifically, the 2001 staff report to the Planning Commissioners regarding a proposed draft of the Chapter 25B change of owner, operator, and guarantor ordinance (the "2001 Staff Report") clarifies that the additional and undefined financial assurances that Appellants seek are not within the scope of Chapter 25B's

financial responsibility requirements. In the 2001 Staff Report, County staff provided responses to comments received on the proposed change of owner, operator, and guarantor ordinance. In response to specific industry concerns that the proposed ordinance would impose unknown or unspecified financial responsibility requirements, the 2001 Staff Report clarified that Chapter 25B's financial responsibility requirements do not include requirements that are not specified in the permits or the County Code. The 2001 Staff Report specifically states that "***neither the Financial Guarantees nor the Abandonment findings [. . .] impose any unspecified financial requirements.*** The findings simply require that financial responsibility and abandonment provisions in permits and ordinances are adhered to." (2001 Staff Report (Ex. 14), p. 17 [emphasis added].)

Likewise, in discussing the proposed permit modifications provision, the 2001 Staff Report clarified that "[t]his language ***would not open permits up for negotiation of financial responsibility***, except in cases where a permit already contains the basis for doing so." (*Id.* at 18 [emphasis added].) This history confirms that an inquiry into financial requirements that are not specified by Chapter 25B is beyond the Board's authority.

Thus, the Board should uphold the Planning Commission's findings as they are consistent with County Code requirements, the plain language of the FDPs, and the relevant legislative history.

1. *Financial Disclosures and COFRs*

The CBD Appellants claim that the Planning Commission "failed to consider" a range of other financial-related documentation indicating that the Applicants' "cash flow ***may*** be insufficient" to address future costs. (CBD Appeal, p. 5 [emphasis added].) The EDC Appellants similarly attempt to significantly expand the Planning Commission's obligations under County Code Chapter 25B by claiming that the County is responsible for ensuring the Applicants are financially capable of operating the Facilities. (EDC Appeal, Attachment, p. 9.) As the Board Letter and Staff Presentation confirm, Appellants' arguments are wrong on the law and on the facts. (February 2025 Board Letter, pp. 3-7; February 2025 Staff Presentation, pp. 7-10.) On the law, none of these arguments are relevant to the review required by County Code Chapter 25B or the findings actually made by the Planning Commission, which do not rely upon any of the irrelevant sources cited by Appellants. (Commission Findings, pp. 2-4, 6-7, 9-10; *see also* October 2025 Proposed Findings, pp. 1-4, 7-8, 12.) And on the facts, Appellants rely on out-of-context documents to create a false narrative of financial instability that has no basis in reality. As the Planning Commission properly found, the Applicants have fully met the requirements of County Code Chapter 25B with respect to financial requirements.

As a threshold matter, Appellants' arguments focus entirely on matters that are well outside the County's jurisdiction and are committed instead to state and federal agencies as a matter of law. For example, the EDC Appellants argue that the Applicants must obtain final COFRs from OSPR before the County can approve a transfer, because the County must "ensure that Sable is financially capable of remediating a worst-case spill." (EDC Appeal, Attachment, pp. 12, 15.) This argument completely misstates the requirements of Chapter 25B. As explained above, OSPR, not the County, is charged with the authority to determine whether owners and operators of oil and

gas production facilities have the financial capacity to account for spills. (Gov. Code § 8670.37.53.) OSPR issues COFRs to facilities, vessels, and pipelines after they have submitted an application and proof that they have the financial resources to cover the costs of response for their "worst-case scenario" spill. (Gov. Code § 8670.37.53(c)(1).) As the Board Letter and Staff Presentation confirm, the only requirement under Chapter 25B is that Sable produce an OSPR-issued COFR for the SYU, which it has done: the "County cannot require financial documents where not already required." (February 2025 Board Letter, p. 4; February 2025 Staff Presentation, p. 7; *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 95-96.)

On the facts, Appellants are simply wrong that the Applicants have not received COFRs for Facilities that are actually flowing oil. The Board Letter and Staff Presentation confirm that OSPR issued a COFR for the SYU—the only COFR required by Chapter 25B—in October 2024, and that, while not required under Chapter 25B, the Applicants demonstrated compliance with OSPR's financial requirements by producing COFRs for the Pipeline. (February 2025 Board Letter, p. 4; February 2025 Staff Presentation, p. 7; October 2025 Proposed Findings, p. 2; *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 95-96.) Both of the OSPR-approved COFRs demonstrate Sable's financial responsibility sufficient to address any potential spill that could occur, and these COFRs are for the maximum amounts permitted under OSPR's regulatory scheme. (Certificates of Financial Responsibility (Oct. 3, 2024) ("COFRs"), attached as Ex. 15; *see also* February 2025 Board Letter, p. 4 ["the approval of a Certificate of Financial Responsibility is dependent on demonstrated financial responsibility, and <u>not</u> the status of an associated oil spill contingency plan."]; February 2025 Staff Presentation, p. 7; October 2025 Proposed Findings, p. 2.) Contrary to Appellants' claims, these COFRs were not for a pipeline holding no oil, but rather for a pipeline flowing oil.[12] The Planning Commission properly rejected Appellants' arguments regarding the adequacy of the COFRs, as OSPR fully occupies the field of oil spill prevention and response, including determining the financial capability of an operator to address emergencies. (Gov. Code §§ 8670.4, 8670.5, 8670.7, 8670.37.53(b)-(c).)

2. *Insurance Certificates Were Provided Voluntarily*

Not only did the Applicants produce their COFRs, in an effort to promote transparency and foster a good working relationship with the County, but the Applicants also provided additional evidence of the Applicant's substantial insurance coverage for the Facilities, including liability coverage in excess of $700 million (which includes sudden and accidental pollution coverage), offshore property damage coverage of $1.23 billion, and onshore property damage coverage of $1.3 billion. (Commission Findings, pp. 9-10; Commission Hearing Staff Report, pp. 24-25; February 2025 Board Letter, pp. 5-6; February 2025 Staff Presentation, p. 9; October 2025 Staff Report, p. 3 ["On October 3, 2025, Sable increased their liability insurance covering an upset condition for all assets to $700M."].) During the Litigation, the County admitted that it is

[12] Each of the COFRs issued by OSPR states that the listed owner/operator "meets the financial responsibility requirements set forth in Government Code Sections 8670.37.53 as it applies to ***the operation***" of the listed facility. (COFRs (Ex. 15) [emphasis added].)

"undisputed" that County staff found that "Sable's Certificate of Liability Insurance 'demonstrates $401 million dollars in liability insurance for all of Sable's assets . . . to cover oil spills, seepage, and pollution, as well as general liability coverage, auto liability, and workers compensation coverage.'" (Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex 4), pp. 30-31.) The Applicants have worked with the County in good faith to provide supplemental documents and information to aid in County staff's review of the Transfers, even when these materials were not required to demonstrate consistency with the requirements of Chapter 25B. (*See* February 2025 Board Letter, p. 6 ["Outside of the 25B Permit Amendment process and for information-only, Sable provided the County with copies of their Certificate of Property Insurance and their Certificate of Liability Insurance for the SYU offshore operations"]; February 2025 Staff Presentation, p. 9; *see also* October 2025 Staff Report, p. 3.)

The CBD Appellants argue that the voluntarily-provided insurance certificates are inadequate and that the Planning Commission erred in relying upon them. (CBD Appeal, p. 5.) CBD Appellants mischaracterize the Commission Findings, as the Findings do not mention or rely upon the insurance certificates the Applicants voluntarily provided. (Commission Findings, pp. 2, 4, 6-7, 9-10.) As such, the CBD Appellants' claim that the insurance certificates voluntarily proffered are insufficient to support the Commission Findings is incorrect.

Moreover, though not part of the Chapter 25B proceeding, Appellants' broad criticisms of Sable's financials are simply not based in reality: as of June 30, 2025, Sable had $247MM in unrestricted cash and a market cap exceeding $2 billion.[13]

3. *Additional Assurances for Decommissioning*

Finally, Appellants urge that the Applicants must post a bond *now* for decommissioning and restoration, but the condition requiring such a bond clearly states that the requirement will be triggered "immediately following permanent shut down of the facilities." (POPCO FDP, Condition Q-2.) The Facilities have not been permanently shut down. County staff addressed this issue directly in the Commission Hearing Staff Report by stating that "FDP Permit Condition Q-2 requires the permittee to be responsible for the proper abandonment of the facility and that a performance bond or other security device be in place immediately following permanent shutdown of the facility." (Commission Hearing Staff Report, p. 26; *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp 35-36.) And County staff confirms this in the Board Letter, noting that "[d]ecommissioning bonds were not required to be posted as part of the original project approvals, and no decommissioning bonds have been required to date." (February 2025 Board Letter, p. 5; February 2025 Staff Presentation, p. 8.)

The EDC Appellants argue that County staff is "mistaken" about the meaning of this condition. (EDC Appeal, Attachment, p. 16.) However, the Planning Commission's understanding is consistent not only with the language of the FDPs, but also with their history: Appellants can point to no instance with any other transfer of these permits in which the Planning

[13] Sable Offshore Corp., Form 10-Q (Aug. 12 2025).

Commission invoked this language or required any prior owner/operator to post decommissioning bonds. It would be arbitrary and inequitable to suddenly interpret the language contrary to the way it has been interpreted since 1988.

Appellants' arguments also ignore that the County Code *already* obligates Sable to be financially responsible for proper abandonment of the Facilities at the time of abandonment. (County Code § 25B-4(i)(1).) Further, various state and federal agencies regulate the Facilities and require that Sable cover the costs associated with decommissioning and restoration. (Gov. Code §§ 8670.37.51; 43 U.S.C. § 1331; 30 C.F.R. § 550.101.) Should remediation be required, federal law requires Sable to cover the costs associated with restoration and clean-up activities. (42 U.S.C. § 9607.) Additionally, under Chapter 25B, not only is the current operator and owner liable, but the County also has the authority to hold the immediately preceding owner or operator responsible for the cost of abandonment should the current owner or operator be unable to fully cover the costs. (County Code § 25B-4(i).)

Thus, the County has assurance that decommissioning costs will be covered by Sable, not the public. Requiring Sable to post another bond, as Appellants suggest, would be inconsistent with the FDP, inconsistent with the County's practice for the Facilities since their inception, duplicative, and unnecessarily burdensome. There is no basis for such a requirement.

C. Prior Owner/Operator is in Compliance with Existing Requirements

As explained above, the Planning Commission correctly found that the Applicants are in compliance with all FDPs. Specifically, the Planning Commission found that the prior owners were in compliance with all of the requirements under the FDPs and that no notices of violation had been issued at the time the applications were determined to be complete on July 30, 2024. (Commission Findings, pp. 3, 8; *see also* October 2025 Proposed Findings, pp. 3-4, 9, 13-14.) Nonetheless, the EDC Appellants claim that the Applicants are out of compliance. But the EDC Appellants misstate the relevant legal standard. As explained above, the County's review and findings with respect to compliance with existing requirements are appropriately limited to determining whether the existing owners are in compliance with requirements of the permit or any other County-issued requirements as of the application completeness date. (County Code §§ 25B-9(a)(5), 25B-10(a)(5); February 2025 Board Letter, pp. 11-12 ["Chapter 25B does not require that the permittee be in compliance with non-County permits and regulations."]; February 2025 Staff Presentation, p. 14; *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), p. 99.)

The EDC Appellants claim that the Applicants are out of compliance with the FDPs because additional cathodic protection is purportedly required. (EDC Appeal, Attachment, pp. 18-19.) But there is no such requirement in the Pipeline FDP. The EDC Appellants cite Condition A-7, but that condition makes no mention of cathodic protections or any specific equipment. (*Id.*, pp. 17-18.) The requirement claimed by the EDC Appellants simply does not exist.

Indeed, this Board found as much two years ago, when hearing the substantively identical appeal related to the transfer of the Pipeline between Plains Pipeline L.P. to PPC as owner and EMPCo as operator. (2023 Board Approval (Ex. 2).) At that time, the Board found that the

Pipeline was in compliance with all existing requirements, ***including Condition A-7.*** (*Id.*, p. 3.) There have been no material changes to the Pipeline since the Board made that finding, and thus there is no lawful basis to revisit it.

Furthermore, any inquiry regarding the cathodic protections installed at the pipeline is beyond the scope of the County's inquiry. As recognized in the Celeron Settlement, the County has "***no authority over the design, construction and operation***" of the Pipeline, as that authority is vested in state agencies. (Celeron Settlement (Ex. 10), Sec. 2.2 [emphasis added].) This is because OSFM is vested with the ***exclusive*** authority to prescribe pipeline safety measures, including cathodic protections, and oversee implementation of such measures. (Gov. Code § 51013.1.) As a result, the County is preempted from imposing safety-related requirements on the Pipeline, including the installation of specific equipment.

In any event, the EDC Appellants are again wrong on the facts. Cathodic protections have been maintained and monitored on the Pipeline in accordance with PHMSA pipeline safety regulations, as overseen by OSFM. The EDC Appellants' opinion regarding the efficacy and appropriateness of the cathodic protections maintained pursuant to oversight from various state agencies is not a basis for determining noncompliance with the County's FDP conditions. Indeed, in the intervening months since the Planning Commission's decision, the OSFM, approved by PHMSA, confirmed that Sable's plans to restore and repair the Pipeline properly address cathodic protection and have properly included additional protections that will address the limitations of cathodic protection. (*See* OSFM Letters of Decision on State Waiver Requests (Dec. 17, 2024), attached as Ex. 16; PHMSA Letters Regarding State Waivers (Feb. 11, 2025), attached as Ex. 17.) Under these additional protections, referred to as State Waivers, Sable is "required to comply with approximately 68 conditions related to pipeline operations, testing, inspections, analysis, and integrity management, and recordkeeping and reporting to address corrosion under insulation." (February 2025 Board Letter, pp. 8-9.)

The Planning Commission correctly found that the prior owner/operator was in compliance with existing requirements. Consistent with this Board's prior 2023 determination related to the Pipeline, this Board should again hold the same.

D. Compliance Plans Have Been Updated As Required

As explained above, the County's review of the compliance plans is limited to whether the Applicants have updated any existing, approved plans "with current emergency ***contact information*** pertaining to the new operator." (County Code § 25B-10(a)(6)-(8) [emphasis added].) The Planning Commission correctly found that "all relevant compliance plans have been updated with the current emergency contact information" for the Applicants as required by the County Code. (Commission Findings, pp. 4-5, 8, 11; October 2025 Proposed Findings, pp. 4-6, 9-11, 14-15) With respect to the SYU, Sable submitted all major Compliance Plans (e.g., Fire Protection Plan, Emergency Response Plan, etc.) which were reviewed by County staff, by the Santa Barbara County Systems Safety & Reliability Review Committee ("SSRRC"), and by the County Fire Department and/or P&D Energy Division's consultant, where appropriate. (Commission Hearing Staff Report (Ex. 3), pp. 16-17.) Sable also submitted Transition Plans and Emergency Response Plans. (Commission Findings, p. 5; *see also* Excerpts from Aug. 1, 2025, Memorandum

Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 8, 70-72.) As for POPCO, POPCO and Sable have submitted all major Compliance Plans, which are integrated between the two entities, Sable has submitted a comprehensive Transition Plan, and County staff confirmed the POPCO Facility Emergency Response Plan Drill was integrated into the response drill conducted for the SYU facility. (Commission Findings, p. 8; *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 8, 72-74.) Related to the Pipeline,[14] PPC and Sable submitted all major Compliance Plans, which, like those related to the SYU, were reviewed by SSRRC, the County Fire Department, and P&D Energy Division's consultant where appropriate. (Commission Findings, p. 12; *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 8, 74-77.) Further, Sable and PPC submitted a comprehensive Transition Plan for the Pipeline, and Sable submitted an updated Integrated Contingency Plan. (Commission Hearing Staff Report (Ex. 3), pp. 36-37; *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), p. 8.)

Appellants misstate the County's obligations, claiming it is somehow responsible for evaluating the status or content of these various plans. (CBD Appeal, p. 6; EDC Appeal, Attachment, pp. 19-20.) But, in fact, the Planning Commission properly made the finding required by the County Code, which is limited to determining whether the Applicants have the relevant emergency ***contact information***. (County Code § 25B-10(a)(6).) The County is not responsible for verifying the efficacy of these contingency plans or evaluating the Applicants' ability to implement them; that authority is vested in OSPR. (Gov. Code §§ 8670.28, 8670.29.) Appellants further incorrectly assert that the oil spill contingency plans have not yet been approved by various state and federal agencies. This is untrue.[15] Regardless, the status of a plan's approval by another agency or the contents of that plan are irrelevant to the Commission's finding that the contact information has been updated. (County Code § 25B-10(a)(6); *see* February 2025 Board Letter, p. 9 ["Chapter 25B does not require that the updated compliance plans be approved by the Office of Spill Prevention and Response, or by other non-County regulators."]; Excerpts from Aug. 1, 2025 Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 96-97.) The Planning Commission properly rejected Appellants' argument and correctly determined that this finding had been satisfied. (Commission Findings, pp. 4-5, 8, 11.)

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[14] As reflected in the Pipeline FDP's Conditions of Approval and the Celeron Settlement, the County's jurisdiction here is very limited, given the law's express vesting of regulation of safety and operational matters in state and federal agencies.

[15] The Integrated Contingency Plan was submitted to OSPR on April 9, 2024, and it is considered valid and effective as of submittal pending final approval or denial by OSPR. Over the ensuing months, OSPR has requested, and Sable has provided, various additional information regarding the Plan. On February 19, 2025, OSPR confirmed that it has identified no deficiencies in the Integrated Contingency Plan. On March 26, 2025, OSPR approved the Integrated Contingency Plan. (*See* OSPR March 16, 2025 Approvals, attached hereto as Ex. 20.)

E. Applicants Have Demonstrated Capabilities to Operate the Facilities

Appellants' claims regarding the Applicants' operator capabilities suffer similar defects. The County's inquiry into operator capability is to determine whether the operator "has the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes." (County Code § 25B-10(a)(9).) As explained above, this finding is preempted in full with respect to the Pipeline. *See supra* VI.A.

In any event, the Planning Commission properly found that this finding had been satisfied. (Commission Findings, pp. 6, 9, 12-13; *see also* October 2025 Proposed Findings, pp. 6-7, 11, 15-16.) The Planning Commission made its findings based on this clear evidence of the Applicants' long-standing experience and background, including the fact that the Applicants' executive team has more than 30 years of relevant experience, has successfully operated numerous platforms and production plants, and has had zero major incidents at facilities they have controlled for nearly 15 years. (*Id*.) The same well-trained, experienced, and knowledgeable team will continue to fill the roles it has been filling successfully since the County last approved the Pipeline's transfer.

Appellants ignore the Sable team's long history of safe and successful operation of oil production facilities and assert—without evidence—that the Applicants are "unlikely" to be able to safely operate the Facilities. (EDC Appeal, Attachment, p. 20-24.)[16] The EDC Appellants' belief that Sable does not retain the appropriate credentials or track record is irrelevant, in no way a basis for evaluating conformity with County Code requirements, and, most importantly, contradicted by substantial record evidence confirming the extensive experience of Sable's team. (*See* February 2025 Staff Presentation, p. 13 [confirming "Operator has sufficient technical skills, training, and safety records as previously demonstrated"].) The Planning Commission properly rejected Appellants' baseless arguments on this issue, and the Board should do the same.

F. Approval of the Transfers Conformed to County Code Requirements

Appellants' assertions that the Planning Commission approval process was somehow unfair likewise lacks merit. The County followed appropriate procedures to ensure the Planning Commission undertook an open, fair, and transparent review process prior to approving the Transfers. The County Code requires a public hearing with at least 10 days' prior notice for an application for a change of owner, operator, or guarantor. (County Code § 25B-8(b)(3).) The Planning Commission held a hearing to consider the Transfers on Wednesday, October 30, 2024.

[16] Because they cannot refute the clear evidence of Sable's history of safely operating similar oil and gas facilities, EDC Appellants attempt to paint Sable as a bad actor. EDC cites to an editorial published by a hedge-fund-associated website and cherry picks SEC filings to claim that Sable is untrustworthy. (EDC Appeal, Attachment, pp. 20-21.) None of this purported evidence relates at all to Sable's ability to safely operate the Facilities. EDC Appellants go on to refer to letters of incompleteness issued by the County when reviewing the applications for the Transfers as further evidence of "a lack of necessary diligence" on Sable's part. (*Id.*, p. 24.) Again, EDC Appellants focus on information completely unrelated to safety and mischaracterize normal administrative activities as evidence of bad faith. The Staff Presentation confirms there is *no* evidence of "systemically unsafe operations related to major incidents" in anything presented by Appellants or otherwise. (February 2025 Staff Presentation, p. 14.) The Planning Commission correctly rejected these arguments and instead focused on Sable's qualifications and track record.

Notice of that hearing was issued on October 15, 2024, more than two weeks before the hearing. (Email from J. Ybarra re: Notice of Planning Commission Hearing - SYU, POPCO Gas Plant, and Las Flores Pipelines Change of Owner/Operator/Guarantor (Oct. 15, 2024), attached as Ex. 18.) In the Litigation, the County confirmed that it is "[u]ndisputed that notice of the public hearing was timely." (Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), p. 12.) County staff presented the Planning Commission with documentation to substantiate the necessary findings, including the FDPs with proposed amendments noted, the SYU Certificate of Insurance, the Applicants' financial statements as presented to the Securities and Exchange Commission, and the COFR for the SYU. (February 2025 Board Letter, pp. 15-16.) At that hearing, the Planning Commission heard more than three hours of public testimony, reviewed each of the required findings, and ultimately determined that the Applicants had complied with all requirements. Upon making the Findings, and as required by County Code Section 25B-10(b), the Planning Commission approved the Transfers.

Appellants were given full opportunity to be heard. Prior to the hearing, both CBD Appellants and EDC Appellants presented lengthy letters to the Planning Commission outlining their positions, and representatives from both testified at the hearing. Appellants also met with members of the Planning Commission individually in advance of the hearing.[17]

Without any basis, the CBD Appellants argue that the process preceding the Planning Commission's approval of the Transfers lacked transparency and that County staff "unfairly influenced" the Commission with "misrepresentations." (CBD Appeal, p. 7.) This is simply wrong. The Planning Commission hearing involved presentations by County staff and the Applicants, followed by extensive questioning, hours of public comment, and Commission deliberation. (*See* Excerpts from Commission Hearing Transcript (Ex. 5).) After the Planning Commission conducted a careful review of all materials and thoughtfully questioned the Applicants at the hearing, they then published extensive written findings, supported by record evidence, outlining the decision to approve the Transfers. (*See id*., pp. 107-141.)

Again, without citing to any County Code provisions or other guidance from the County, the CBD Appellants further contend that key documents were missing from the record. (CBD Appeal, p. 7.) This is not true. To the contrary, the Applicants submitted, and County staff provided, more than the required evidence in support of the Transfers, including supplemental information related to financial assurances and Sable's operating capabilities. The Planning Commission acted appropriately in reviewing the Transfers and confirming that all required findings could and should be made.

G. The Transfers Are Not A Project Under CEQA

Finally, Appellants' argument that approval of the Transfers violated CEQA are patently wrong and should be rejected by the County just as it rejected the same argument when the Pipeline

[17] At the October 30, 2024, Planning Commission hearing, both Commissioners Parke and Bridley disclosed *ex parte* communications with the EDC Appellants and their attorneys in the week leading up to the hearing. (Excerpts from Commission Hearing Transcript (Ex. 5), p. 3.)

was transferred to ExxonMobil in 2023. The Transfers are purely administrative in nature; they do not authorize any changes to the physical environment and cannot in way be conceived of as a "project" (Commission Findings, p. 1; October 2025 Proposed Findings, p. 1), and the CBD Appellants' claim that the Transfers may "impact" the environment misrepresents the nature of the Chapter 25B review process and the scope of CEQA (CBD Appeal, pp. 7-8; *see also* February 2025 Board Letter, p. 12; February 2025 Staff Presentation, p. 15; Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 97-98).

Section 15378(b)(5) exempts "organizational or administrative activities of governments that will not result in direct or indirect physical changes to the environment." (14 C.C.R. § 15378.) By definition, the Planning Commission's approval of the Transfers is not a "project" under CEQA as the action is purely administrative and will not result in *any* physical changes to the environment.[18] In issuing the Transfers, the Planning Commission merely confirmed that the Applicants are responsible to comply with the conditions and limitations contained in the FDPs and the County Code; it did not authorize any "project" or any physical work impacting the environment whatsoever.[19]

Appellants' contrary arguments are not only inconsistent with the County Code and CEQA, but they are also inconsistent with this Board's own history. The County has considered all previously processed Chapter 25B Permit Amendments as not constituting a "project" under CEQA, including the 2023 proceeding just two years ago. (*See* 2023 Board Approval (Ex. 2); *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4), pp. 19-20.) The Planning Commission correctly followed this precedent, and this Board should as well.

IX. RESPONSE TO OTHER ARGUMENTS

Under Chapter 25B, the County's authority is limited and narrow. It evaluates the applications as of the completeness date, confirms the requirements of the findings have been met (five for owner, one for guarantor, and nine for operator), and transfers the permits. This process is ministerial and mandatory; the County does not have authority to go beyond the four corners of Chapter 25B to find other bases to deny a transfer.

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[18] Indeed, it is well settled that the identity of the end-user is not a physical change in the environment, and is thus irrelevant under CEQA. (*See Maintain Our Desert Environment v. Town of Apple Valley* (2004) 124 Cal.App.4th 430, 445-446 [identity of retail store owner irrelevant to CEQA analysis]; *Uphold Our Heritage v. Town of Woodside* (2007) 147 Cal.App.4th 587, 599–600 ["CEQA should not be interpreted to allow discrimination between project applicants for an identical project based upon the financial status of the applicant."].)

[19] On February 12, 2025, County staff confirmed that physical activity along the Pipeline was previously authorized by existing permits and "was analyzed in the prior Environmental Impact Report/Environmental Impact Statement (EIR/EIS)." (*See* County of Santa Barbara, "Zoning Clearance Applications – 24ZCI-00090, 24ZCI-00091, 24ZCI-00095, and 24ZCI-00096" (Feb. 12, 2025) ("County Authorization Letter") attached as Ex. 19.)

A. Procedural Due Process Requires The County To Follow The Code

A permit transfer appeal from the Planning Commission is a quasi-judicial function. When the Board performs quasi-judicial functions, the Federal and California Constitutions guarantee due process of law and obligate the Board to provide a fair tribunal to the applicant. "[T]he undeniable public interest in fair hearings in the administrative adjudication arena, militate in favor of assuring that such hearings are fair." (*See Nasha v. City of L.A.* (2004) 125 Cal.App.4th 470, 483 [quoting *Nightlife Partners, Ltd. v. City of Beverly Hills* (2003) 108 Cal.App.4th 81, 90].) Procedural due process thus requires that the Appeals be conducted in a fair manner, not an arbitrary manner or in reliance on extra-statutory considerations. (*See Kerman Tel. Co. v. Pub. Utils. Comm'n* (2023) 94 Cal.App.5th 920, 925, 932-33 [finding that "[i]n the administrative law context, the failure to give fair notice to a regulated entity of what is forbidden or required justifies vacating the imposed punishment resulting from the alleged violation of a regulation"]; *Subriar v. City of Bakersfield* (1976) 59 Cal.App.3d 175, 205-206 [ordinance requiring a showing of "convenience and necessity" to obtain a license was not impermissibly vague because it included specific factors for consideration, ensuring clarity and limiting discretion]. *See also* Order re Cross-Motions for Summary Judgment (Ex. 1), p. 25, n. 17 [ordering that "[i]n upholding or denying the appeals, Board members must comply with the requirements of Chapter 25B and Governing Procedural Rules"].)

Yet, that is what Appellants and various other individuals ask the Board to do. Should the Board accept Appellants' invitation to broadly construe Chapter 25B to authorize a searching inquiry into the Applicants' capability to safely operate the assets or remediate a spill, it would run afoul of procedural due process requirements because an applicant would have no way to understand the true requirements it must satisfy to secure a permit transfer. (*U.S. v. Gilbert* (9th Cir. 1987) 813 F.2d 1523, 1530.) Accepting Appellants' broad interpretation would render the Chapter 25B findings impermissibly vague, making compliance unclear and inviting arbitrary or discriminatory enforcement. (*Kerman Tel. Co.*, 94 Cal.App.5th at 925, 932-33.)

The following section responds to various arguments made by Appellants and others that have been proffered as bases for the Board to depart from its legal obligations and rule arbitrarily against Appellants. The Board should reject each of these. Because the Applicants continue to satisfy all the requirements of Chapter 25B, the Board should approve the Transfers.

B. Information That Post-Dates The Application Cannot Be Considered.

In accordance with Chapter 25B, the Board must consider only the information related to permit compliance available on the date the applications were deemed complete: July 30, 2024. (County Code §§ 25B-9(a)(5), 25B-10(a)(5); *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 4.), p. 10 ["undisputed" that County staff determined the applications were complete on July 30, 2024].) For the Compliance with Existing Requirements finding, Chapter 25B provides that "*[a]s of the date that the application is deemed complete*, the current owner(s) are in compliance with all requirements of the permit, including any requirement of a county-required safety audit, any notice of violation, and any county ordinance, or the current and proposed owner(s) have entered into a written agreement with the Director that specifies an

enforceable schedule to come into compliance with such requirements." (County Code §§ 25B-9(a)(5), 25B-10(a)(5) [same for "current operators"].)

The Appeals, like the original applications, are evaluated as of the date the applications were deemed complete. (*See* County Code §§ 25B-12(b)(2) ["The appellant shall state specifically in the appeal how [] the planning commission's decision is inconsistent with the provisions . . . of [Chapter 25B]. . ."]; 25B-9(a)(5), 25B-10(a)(5).) Each of the matters described below post-dates the application date and cannot be considered without going beyond the confines of Chapter 25B and thus violating the court's express order. (*See* Order re Cross Motions for Summary Judgment (Ex. 1), pp. 23-24 ["the Board [must] exercise its discretion to affirm, reverse, or modify and . . . reach[] a determination in compliance with the requirements of Chapter 25B—an affirmance, reversal, or modification tethered to factual findings under Chapter 25B-8, 9, and 10 would satisfy the Board's mandatory duty to act."], 25, n. 17 ["In upholding or denying the appeals, Board members must comply with the requirements of Chapter 25B and Governing Procedural Rules."].)

C. Dispute With Coastal Commission

Appellants point to the fact that Sable is involved in a dispute with the California Coastal Commission over certain repair and maintenance activities performed by Sable to ensure the safety of the Pipeline and the offshore SYU facilities. As an initial matter, Sable's dispute with the Coastal Commission does not constitute a basis to deny the Transfers under Chapter 25B. Critically, the Commission's allegations and its dispute with Sable post-dates the application completeness date (July 30, 2024) and thus may not be considered in connection with the applications or the Appeals. Moreover, the dispute does not demonstrate violation by the Applicants of any County ordinance. To the contrary, Sable undertook all repair and maintenance activities at issue with the Commission pursuant to Sable's understanding that such activities were authorized. In fact, as it relates to County jurisdiction, the Applicants relied on the County's own authorization when completing repair and maintenance activities in the Coastal Zone. It would be arbitrary and capricious for the County to deny the Transfers based on conduct it expressly authorized.[20]

Last year, Sable began repairing certain "anomalies" detected along the Pipeline in the County and in the Coastal Zone. Sable was required to undertake these repairs under applicable federal pipeline safety regulations, pursuant to a federal Consent Decree issued in *United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.*, Case No. 2:20-cv-02415, and by OSFM, which has exclusive jurisdiction over the operation and safety of the Pipeline. Anomaly repairs are a common maintenance activity

[20] *See* County Authorization Letter (Ex. 19) ("The County conducted a detailed review of pipeline permitting history and the Coastal Zoning Ordinance. Planning and Development concludes that this pipeline anomaly repair work is authorized by the existing permits (Final Development Plan, Major Conditional Use Permit, and associated Coastal Development Permits) and was analyzed in the prior Environmental Impact Report/Environmental Impact Statement (EIR/EIS).").

regularly performed on pipelines, and the County therefore has routinely authorized anomaly repairs along the Pipeline without any new or amended Coastal Act authorization.

On September 27, 2024, the Coastal Commission issued a Notice of Violation ("NOV") (File No. V-9-24-0152), alleging that unpermitted activities were taking place in the Coastal Zone, including excavation and other activities at various locations along the Pipeline. Although Sable maintained that its anomaly repair work was authorized by the Pipeline's existing coastal development permits issued by the County, Sable stopped all work in order to explore the Coastal Commission's allegations with Commission staff and the County. Sable submitted detailed plans, maps, and similar information to the County to allow County staff to assess whether any new or amended form of Coastal Act authorization would be required.

After reviewing information provided by Sable, County Planning and Development staff confirmed in a February 12, 2025, letter that Sable's anomaly repair work on the Pipeline was already authorized by the Pipeline's existing, lawfully issued coastal development permits. (*See* County Authorization Letter (Ex. 19).) The County reconfirmed this conclusion to Sable on March 21, 2025, with respect to anomaly repair work that Sable completed before receiving the NOV. After the County confirmed that Sable's remaining repair and maintenance work was authorized under the FDP and associated County approvals, Sable completed its anomaly repair program along the Pipeline.

Similarly, Sable installed 16 safety valves along the Pipeline in compliance with Assembly Bill 864 ("AB 864") after receiving express confirmation from the County that it "does not have permit authority or jurisdiction over the sixteen (16) safety valves and their ancillary equipment as currently proposed because they are safety valves required by state law [AB 864], related to the operation of an interstate Pipeline, and one foot or more underground." Sable's safety valve installation work required the same type and level of construction disturbance as Sable's anomaly repair work, and thus also falls within the scope of the Pipeline's existing coastal development permits. Finally, Sable performed repair work on the offshore SYU pipeline facilities to reinforce the existing pipelines and ensure pipeline safety in late 2024. This work, known as span remediation work, is consistent with repair and maintenance activities previously performed on the offshore SYU pipelines under the existing coastal development permit for those facilities that did not require additional Coastal Act authorization.

Notwithstanding that Sable performed these repair and maintenance activities pursuant to prior Coastal Act authorizations, the Coastal Commission asserted that such activities required new or amended coastal development permits. On April 10, 2025, the Commission issued a Cease-and-Desist Order, Restoration Order, and Administrative Penalty Order with respect to Sable's anomaly repair work, safety valve installation work, and span remediation activities notwithstanding the County's confirmation that Sable had County authorization to do the work. Sable and the Commission presently are engaged in litigation regarding these orders. Sable maintains that the Coastal Commission's allegations lack merit and that the Commission lacked authority to issue the April 10 orders. Specifically, Sable's repair and maintenance work was undertaken in accordance with applicable federal pipeline safety regulations, the Consent Decree, and OSFM's requirements, and, where applicable, authorized by the County. The ongoing

jurisdictional dispute between the Applicants and County on one side and the Coastal Commission on the other is not relevant to the permit transfer.

D. Regional Water Quality Control Board and California Department of Fish & Wildlife Related Matters

Like the Coastal Commission matter, matters relating to the Central Coast Regional Water Quality Control Board ("Water Board") and the California Department of Fish and Wildlife ("CDFW") occurred after the Applicants' application was deemed complete on July 30, 2024. Such matters also fall outside Chapter 25B's narrow scope. Regarding compliance with existing requirements, Chapter 25B allows the Board to consider only compliance with "applicable county ordinance[s]," not state laws, which are outside its jurisdiction. (County Code § 25B-9(5); B-10(5).) Neither does alleged noncompliance implicate Chapter 25B's "operator capability" finding because the "operator capability" finding is similarly limited to compliance with the County permit and all applicable County codes. (County Code § 25B-10(a)(9).)

On September 16, 2025, the Santa Barbara District Attorney's Office filed a criminal complaint alleging violations of the Water Code and the Fish and Game Code in connection with Sable's previously completed Pipeline repair and maintenance work. Relatedly, on October 3, 2025, the California Attorney General's office filed a civil complaint in Santa Barbara County Superior Court against Sable alleging various violations of the California Water Code based on the same activities.

Before the work at issue was performed, the Applicants' expert technical consultants conducted biological and cultural assessments to confirm that no adverse effects to biological and cultural resources would occur. All such activities also were witnessed and observed by OSFM personnel. According to Sable and its qualified advisors, no wildlife were adversely affected. After the work commenced, the Water Board and CDFW separately informed Sable of its perspective that certain work required additional permits and authorization. After learning of the agencies' perspectives, Sable engaged with the Water Board and CDFW in a spirit of cooperation and shared commitment to the protection of the California Central Coast and the County of Santa Barbara's local environment. To date, Sable has obtained permits for five sites from each agency, and is working with both agencies to obtain permits for an additional nine additional sites.

The September 16, 2025, and October 3, 2025, complaints are not final orders, and Sable will defend itself in court from these allegations. In any event, and as noted above, the complaints address events that occurred after the Applicants' applications were deemed complete on July 30, 2024. Thus, to comply with Chapter 25B, the Board may not consider the complaints when deciding on the Appeals. (*See* County Code §§ 25B-9(a)(5), 25B-10(a)(5); Order re Cross Motions for Summary Judgment (Ex. 1), pp. 23-24, 25, n. 17.) Moreover, the Applicants continue to vigorously deny wrongdoing, and there has been no finding of liability in either case that could possibly bear on the Transfers. As such, these complaints should not be considered in connection with the Appeals.

X. CONCLUSION

As confirmed in the February 2025 Board Letter, February 2025 Staff Presentation, and October 2025 Board Letter, and further demonstrated in this letter, the Applicants meet all applicable requirements for transfer of the FDP's; therefore, the Appeals should be denied and the Planning Commission's approval of the Transfers upheld. The Applicants have established consistency with the narrow findings, and County staff has confirmed that all requirements to approve the Transfers have been met.

We appreciate the opportunity to provide this additional information and will be available to answer any questions that arise at the hearing. We respectfully request that the Board determine that the request is not a project pursuant to CEQA, deny the Appeals, make the required findings, and grant *de novo* approval of the Transfers.

Very truly yours,

Jessica Stebbins Bina
of LATHAM & WATKINS LLP

Enclosures

cc: Steve Rusch, Sable Offshore Corp.

Index of Exhibits

Exhibit No.	Description	Date
1.	Order re Cross-Motions for Summary Judgment, *Sable Offshore Corp., v. County of Santa Barbara*, No. LACV-25-4165-DMG (C.D. Cal.)	Sept. 12, 2025
2.	Letter from County of Santa Barbara to Pacific Pipeline Co. re Board Action letter for the Appeal of the Change of Ownership, Change of Guarantor, and Change of Operator of the Las Flores Pipeline System (formerly AAPL Lines 901/903); 88-DPF-033 (RV01)z, 88-CP-60 (RV01), 88-DPF-25cz, 85-DP-66cz, 83-DP-25cz. Case No. 23APL-00027 ("2023 Board Approval")	Sept. 21, 2023
3.	Staff Report for a Change of Owner, Operator, and Guarantor for the Santa Ynez Unit, POPCO Gas Plant, and Las Flores Pipeline System Final Development Plan Permits ("Commission Hearing Staff Report")	Oct. 30, 2024
4.	Excerpts from Respondents County of Santa Barbara and Santa Barbara County Board of Supervisors Response to Petitioners' Statement of Uncontroverted Facts and Proposed Conclusions of Law, *Sable Offshore Corp., v. Santa Barbara*, No. 25-4165	Aug. 1, 2025
5.	Excerpts from Planning Comm. Hearing Transcript	Oct. 30, 2024
6.	Letter from Latham & Watkins to Board of Supervisors re November 4, 2025, Meeting of the Santa Barbara County Board of Supervisors regarding Appeals of Planning Commission Approval of Change of Owner, Guarantor, and Operator for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant and Las Flores Pipeline System – Request for Recusal of Supervisor Hartmann ("Hartmann Recusal Letter")	Oct. 30, 2025
7.	Letter from Latham & Watkins to Board of Supervisors re November 4, 2025, Meeting of the Santa Barbara County Board of Supervisors regarding Appeals of Planning Commission Approval of Change of Owner, Guarantor, and Operator for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant and Las Flores Pipeline System – Request for Recusal of Chair Capps ("Capps Recusal Letter")	Oct. 30, 2025
8.	Sable Executive Management Profile	Feb. 21, 2025
9.	Excerpts from Respondents County of Santa Barbara and Santa Barbara County Board of Supervisors' Response to Petitioners'	Aug. 1, 2025

Exhibit No.	Description	Date
	Motion for Summary Judgment, *Sable Offshore Corp., v. Santa Barbara*, No. 25-4165 ("Excerpts from Aug. 1, 2025, County Response to MSJ")	
10.	Settlement Agreement between Celeron Pipeline Co. of California and the County of Santa Barbara ("Celeron Settlement")	Feb. 8, 1998
11.	Agreement to Comply with Conditions of Approval	Mar. 14, 2024
12.	Consent Decree Assumption Agreement	Oct. 13, 2022
13.	Excerpts from Hearing Transcript, *Sable Offshore Corp. v. Santa Barbara*, No. 25-4165	Sept. 12, 2025
14.	Planning Comm. Staff Report re Proposed Change of Owner, Operator, and Guarantor Ordinance ("2001 Staff Report")	Sept. 7, 2001
15.	California Certificates of Financial Responsibility ("COFRs")	Oct. 3, 2024
16.	Letter from Office of the State Fire Marshal to Sable Offshore Corp. re Letter of Decision on the State Waiver Request for Limited Efectiveness [sic] of Cathodic Protection on Thermally Insulated Pipeline and Corrosion of or Along a Longitudinal Seam Weld (CA-324) ("OSFM Letters of Decision on State Waiver Requests")	Dec. 17, 2024
17.	Letter from U.S. DOT, Pipeline & Hazardous Materials Safety Admin. to OSFM re Docket No. PHMSA-2025-0002 ("PHMSA Letters Regarding State Waivers")	Feb. 11, 2025
18.	Email from J. Ybarra re: Notice of Planning Comm. Hearing - SYU, POPCO Gas Plant, and Las Flores Pipelines Change of Owner/Operator/Guarantor ("Ybarra Email")	Oct. 15, 2024
19.	County of Santa Barbara, "Zoning Clearance Applications – 24ZCI-00090, 24ZCI-00091, 24ZCI-00095, and 24ZCI-00096" ("County Authorization Letter")	Feb. 12, 2025
20.	Letters from Cal. Dept. of Fish & Wildlife to Pacific Pipeline Co. (Plan No: CA-00-7217) and Sable Offshore Corp. (Plan No: CA-00-7239) re California Facility Oil Spill Contingency Plan approval	Mar. 26, 2025

EXHIBIT 3

JS-6

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SABLE OFFSHORE CORP., *et al.*,

Petitioners/Plaintiffs,

v.

COUNTY OF SANTA BARBARA, *et al.*,

Respondents/Defendants,

and

ENVIRONMENTAL DEFENSE CENTER, *et al.*

Intervenors.

No. CV 25-4165-DMG (AGRx)

ORDER RE CROSS-MOTIONS FOR SUMMARY JUDGMENT [36] [43]

Petitioners/Plaintiffs Sable Offshore Corp. ("Sable Offshore"), Pacific Pipeline Company ("PPC"), and Pacific Offshore Pipeline Company ("POPCO") (collectively, "Sable") filed applications seeking the transfer of Final Development Permits ("FDP") to Sable from Petitioners/Plaintiffs Exxon Mobil Corporation ("ExxonMobil"), Mobil Pacific Pipeline Company ("MPPC"), and ExxonMobil Pipeline Company ("EMPCo") (collectively, "Exxon Mobil Affiliates"). Petitioners seek a writ of mandate following the Santa Barbara County Board of Supervisors' (the "Board") tie vote on the appeal of the Santa Barbara County Planning Commission's (the "Planning Commission") decision to approve the transfer of FDPs pursuant to Santa Barbara County Code Chapter 25B (hereinafter "Chapter 25B"). Respondents/Defendants are the Board and the County of Santa Barbara (the "County").

Before the Court are two cross-motions for summary judgment ("MSJ"), brought by Petitioners [Doc. # 36-1 ("Petitioners MSJ")] and by Intervenors Environmental Defense Center ("EDC"), Get Oil Out! ("GOO!"), Santa Barbara County Action Network ("SBCAN"), Sierra Club, and Santa Barbara Channelkeeper ("SBCK") [Doc. # 43-1 ("Intervenors MSJ")]. Both motions are fully briefed. [Doc. ## 40 ("County's Response"), 46 ("Petitioners Opp."), 47 ("Intervenors Reply").]

Pursuant to the Petitioners and Respondents' proposed bifurcated schedule which was ordered by the Court [Doc. ## 17, 24], these cross-motions for summary judgment solely address the Petition/Complaint's first and second claims for relief for writ of mandate pursuant to California Code of Civil Procedure section 1085 and third claim for relief for writ of administrative mandate pursuant to California Code of Civil Procedure section 1094.5. [Doc. ## 1, 17.] At the center of this dispute is the proper interpretation of Santa Barbara County Code Chapter 25B. The Court held a hearing on September 12, 2025. Having duly considered the parties' written submissions and oral argument, the Court **GRANTS in part and DENIES in part** Petitioners' MSJ and **GRANTS in part and DENIES in part** the Intervenors' MSJ for the following reasons.

I.

FACTUAL AND PROCEDURAL BACKGROUND[1]

A. The Facilities, Pipeline, and FDPs

The POPCO facility and Santa Ynez Unit (the "facilities") are onshore oil and gas production and transportation facilities located in Santa Barbara County and connected to offshore platforms Hondo, Harmony, and Heritage in the Santa Barbara Channel. County Staff Report Admin Record ("A.R.") 15–17 (Vol. 1 at 20–22) [Doc. # 13-1].[2] The POPCO facility is an onshore gas production facility located in Las Flores Canyon. County Staff Report A.R. 17 (Vol. 1 at 22). The Santa Ynez Unit ("SYU"), as referred to here, consists of the onshore oil processing facility also located in Las Flores Canyon. *Id.* The Las Flores Pipeline (the "pipeline"), formerly known as the Plains All American Pipeline, transports oil produced from the SYU to the Pentland Station in Kern County. *Id.*

FDPs can be transferred for change of owner, operator, or guarantor. County Code §§ 25B-2, 25B-4(e), (f), (g). The transfer applications at issue are: (1) the SYU (FDP No. 87-DP-32cz) from ExxonMobil to Sable (owner, operator, and guarantor; (2) the POPCO facility (FDP No. 93-FDP-015 and 74-CP-11) from ExxonMobil Corporation to Sable (operator and guarantor); and (3) the pipeline (FDP Nos. 88-DPF-033 (RV01)z, 88-CP-60 (RV01), 88-DPF-25cz, 85-DP-66cz, 83-DP-25cv) from EMPCo to Sable (operator) and ExxonMobil to Sable (guarantor). County Staff Report A.R. 16 (Vol. 1 at 21); A.R. 162 (Vol. 1 at 167).

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[1] The facts in this section are drawn from the Administrative Record, except where otherwise indicated. The Court has reviewed the entire record [Doc. ## 13, 28, 33] but only discusses the facts that are necessary to or affect its analysis.

[2] All citations to the A.R. herein will have the following format: Bates Citation (Volume Number at CM/ECF Page Number). All other citations to the docket will refer to the page numbers inserted by the CM/ECF system. Any citations to Volumes 12 and 13 refer to the Amended Volumes. *See* Doc. # 28 (noticing amendment due to document malformations).

B. The Refugio Spill and Sable

On May 19, 2015, a section of the Las Flores Pipeline ruptured and released oil on land, beaches, and into the ocean near Refugio State Beach (hereinafter the "Refugio Spill"). County Staff Report A.R. 19 (Vol. 1 at 24). Following the spill, the pipeline was shut down, purged, and isolated, and the facilities were shutdown. *Id.* A.R. 19–20 (Vol. 1 at 24–25). The FDPs remain active. *Id.* A.R. 17 (Vol. 1 at 22).

Sable Offshore, led by Chief Executive Officer Jim Flores, was initially formed as several special purpose entities for the purpose of evaluating the opportunity to acquire the SYU assets. Appellants Board Comment Letter A.R. 3203 (Vol. 11 at 1061) [Doc. # 13-11]. On February 14, 2024, Sable Offshore acquired the facilities and the pipeline from the Exxon Mobil Affiliates. County Staff Report A.R. 18 (Vol. 1 at 23); Appellants Board Comment Letter A.R. 3204 (Vol. 11 at 1062). It also acquired PPC, which owned the pipeline. *Id.* A.R. 3204 (Vol. 11 at 1062). To fund the $625,000,000 acquisition, Sable secured an approximately $622,000,000 loan from Exxon. *Id.* A.R. 3200 (Vol. 11 at 1058).

C. Chapter 25B

Chapter 25B governs the transfer of FDPs. County Code § 25B. The purpose of Chapter 25B is:

> to protect public health and safety, and safeguard the natural resources and environment of the county of Santa Barbara, by ensuring that safe operation, adequate financial responsibility, and compliance with all applicable county laws and permits are maintained during and after all changes of owner, operator or guarantor of certain oil and gas facilities.

County Code § 25B-1. Any change in owner, operator, or guarantor, requires application and approval by the County. County Code §§ 25B-2, 25B-4(e), (f), (g).[3]

[3] Applications for change of operator are under the jurisdiction of the Planning Commission. County Code § 25B-8(b). Applications for change of owner and guarantor are under the jurisdiction of

1. Operator

The Planning Commission "shall approve or deny any application to transfer a permit for change of operator." County Code § 25B-8(b)(1). A public hearing is required. County Code § 25B-8(b)(3). "Prior to approval," the Planning Commission "shall make all findings required . . . and shall take all actions necessary []." County Code § 25B-8(b)(2). County Code section 25B-10 states that the Planning Commission "shall approve an application for change of operator only if the [Planning Commission] makes the following findings." The section lists nine findings: (1) fees and exactions, (2) financial guarantees, (3) acceptance of permit, (4) facility safety audit, (5) compliance with existing requirements, (6) compliance plans, (7) transitional plan, (8) emergency response plan drills, (9) operator capability. County Code §§ 25B-10(a)(1)–(9).

2. Owner

The Planning Commission[4] "shall approve or deny any application to transfer a permit for . . . change of ownership." County Code § 25B-8(a)(1)(a). "Prior to approval of such application, the [Planning Commission] shall make all findings required . . . and shall take all actions necessary . . . ." County Code § 25B-8(a)(2). The Planning Commission "shall approve an application for a change of owner only if the [Planning Commission] makes the following findings:" (1) fees and exactions, (2) financial guarantees, (3) acceptance of permit, (4) facility safety audit, and (5) compliance with existing requirements. County Code §§ 25B-9(a), (a)(1)-(5). The financial guarantees

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the Santa Barbara County Director. County Code §§ 25B-3, 25B-8(a). Where, as here, an application includes components under both the Planning Commission and the Santa Barbara County Director's jurisdiction, the application may be processed with a combined application and decided by the Planning Commission. County Code § 25B-8(c). The Court will therefore refer to the Planning Commission as the decisionmaker for changes of owner and guarantor in the combined application at hand.

[4] Changes of owner and guarantor do not require a public hearing. County Code § 25B-8(a)(3). But because Sable made a combined application and the Planning Commission handled all three components, the Planning Commission was required to hold a public hearing. *See* County Code § 25B-8(b)(3).

finding for change of owner is identical to the financial guarantees finding for change of operator. *Compare* County Code §§ 25B-9(a)(2) *with* 25B-10(a)(2).

3. Guarantor

The Planning Commission "shall approve an application . . . for a change in guarantor only if the [Planning Commission] makes the following finding" with regard to financial guarantees: "[t]he proposed guarantor has provided all necessary instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance." County Code §§ 25B-9(e), (e)(1).

4. Appeals

Decisions by the Planning Commission may be appealed to the Board by the applicant or any interested person adversely affected by such decision. County Code § 25B-12(b)(1). In the appeal, the appellant must "state specifically" how the Planning Commission's decision is "inconsistent with the provisions or purposes of this chapter" or "there was an error or abuse of direction" by the Planning Commission. County Code § 25B-12(b)(2). The Planning Commission transmits to the Board copies of the application and "a statement of findings setting forth the reasons for the planning commission's decision." County Code § 25B-12(b)(3). The Board's hearing "shall be de novo" and the Board "shall affirm, reverse, or modify the planning commission's decision at a public hearing." County Code § 25B-12(b)(4). The hearing must be noticed. *Id.*

D. Sable's Applications to the Planning Commission

On March 14, 2024, Sable submitted a combined application to the Planning Commission for change of owner, operator, and guarantor of the FDPs. SYU Application A.R. 240 (Vol. 1 at 245); POPCO Facility Application A.R. 254 (Vol. 1 at 259); Pipeline Application A.R. 269 (Vol. 1 at 274). Under Chapter 25B, if an application is found

incomplete, County Staff[5] issue a notice of incompleteness and the applicant shall provide "any additional information" required through an incompleteness letter. County Code § 25B-8(d). Sable was required to supplement its applications in response to notices of incompleteness three times. A.R. 284 (Vol. 1 at 289); A.R. 294 (Vol. 1 at 299); A.R. 307 (Vol. 1 at 312).

The County Staff deemed Sable's application complete on July 30, 2024. County Staff Report A.R. 18 (Vol. 1 at 23). The County Staff found that Sable had satisfied the requirements under Chapter 25B and recommended the Planning Commission approve Sable's applications. County Staff Presentation A.R. 1985 (Vol. 10 at 234) [Doc. # 13-10]. The Planning Commission held a public hearing on October 30, 2024. A.R. 2170 (Vol. 11 at 28). The Planning Commission, by a vote of three to one, made the required findings for approval under Chapter 25B and approved the change of owner, operator, and guarantor for the facilities and pipeline. A.R. 2170 – 2171 (Vol. 11 at 28-29). In a letter to Sable, the Planning Commission attached its findings of approval. A.R. 2172 – 2184 (Vol. 11 at 30–42).

E. The Appeal to the Board

On November 7, 2024, Intervenors EDC, GOO!, and SBCAN (hereinafter "Appellants"),[6] filed an appeal of the Planning Commission's approval.[7] Appeal Letter A.R. 2058 (Vol. 10 at 307). They previously submitted a comment letter with the same concerns to the Planning Commission. Planning Commission Comment Letter A.R. 1867

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[5] Although Chapter 25B states the Director will issue the notice of incompleteness, the County Staff Report states the County Staff were responsible for deeming the application complete. County Staff Report A.R. 18 (Vol. 1 at 23). In Sable's incompleteness letters, it also refers to the County as the notice issuer. *See, e.g.*, A.R. 284 (Vol. 1 at 289).

[6] Appellants did not include Intervenors Sierra Club and SBCK. A.R. 2058 (Vol. 10 at 307). The Sierra Club and SBCK retained EDC to represent them following the appeal. A.R. 3200 (Vol. 11 at 1058).

[7] The Center for Biological Diversity and the Wishtoyo Foundation filed a separate appeal. A.R. 2050 (Vol. 10 at 299). Because that appeal is not at issue in this action, the Court will not address it.

(Vol. 10 at 116). Appellants argued the Planning Commission made findings unsupported by evidence, plainly controverted by evidence, and/or inconsistent with Chapter 25B. Appeal Letter A.R. 2059 (Vol. 10 at 308).

F. The Board Hearing and Tie Vote

The Board held a public hearing on February 25, 2025. A.R. 2949 (Vol. 11 at 807). County Staff recommended the Board deny the appeal. Board Agenda Letter A.R. 2953 (Vol. 11 at 811). The Board has five members, one for each district: Roy Lee, Laura Capps, Joan Hartmann, Bob Nelson, and Steve Lavagnino. A.R. 2927 (Vol. 11 at 785). Hartmann recused herself. Board Hearing Minute Order A.R. 6755 (Vol. 21 at 11) [Doc. # 13-21]. The hearing lasted over five hours with almost 100 public comments. Board Hearing Minute Order A.R. 6753 – 6754 (Vol. 21 at 9–10). County Staff (Hearing Transcript A.R. 6965 – A.R. 6975 (Vol. 21 at 221–231)), EDC for Appellants (Hearing Transcript A.R. 6987 – A.R. 6992 (Vol. 21 at 243–248)), and Sable (Hearing Transcript A.R. 7013 – A.R. 7023 (Vol. 21 at 269–279)) each spoke and answered questions from the Board.

As documented in the Minute Order following the Board Hearing, Lavagnino made a motion, seconded by Nelson, to: (1) deny the appeals; (2) "[make] the required findings for approval" for change of owner, operator, and guarantor; (3) approve, and (4) "grant[] de novo approval" of the change of owner, operator, and guarantor. Board Hearing Minute Order A.R. 6755 (Vol. 21 at 11). The motion "failed" at the first stage, with Nelson and Lavagnino voting in favor of denying the appeals and Lee and Capps voting to uphold the appeals. Board Hearing Minute Order A.R. 6755 (Vol. 21 at 11); Hearing Transcript A.R. 7140 (Vol. 21 at 396) (Nelson), A.R. 7137 (Vol. 21 at 393) (Lavagnino), A.R. 7138 (Vol. 21 at 394) (Lee), A.R. 7142 (Vol. 21 at 398) (Capps), A.R. 7143 (Vol. 21 at 399) ("Motion fails two to two").

As the Supervisors voted, they articulated the basis behind their votes. Lee remarked the "restart" of the pipeline was an "insane" and "very bad" idea and voted to uphold the appeals "because that's the right thing to do." Hearing Transcript A.R. 7137 –

7138 (Vol. 21 at 393–394). Capps, "within the narrow confines" of the FDP transfer, and related to the Board's "fiscal oversight" and "fiscal responsibility" to the County's budget, concluded she lacked the "reassurance of fiscal stability" in evaluating the FDP transfers. A.R. 7140 – 7142 (Vol. 21 at 396–398). Capps identified three "red flags," or reasons, in support of her position: Sable had to obtain a loan from Exxon in order to purchase the facilities and pipeline, Sable did not show the Board the insurance policy, and the California Coastal Commission issued notices of violation against Sable around five to six months after Sable filed their applications at issue here. *Id.* A.R. 7140 – 7142 (Vol. 21 at 396–398); *see* Planning Commission Comment Letter A.R. 1889 – 1890 (Vol. 10 at 138–139), A.R. 1908 (Vol. 10 at 157), A.R. 1969 (Vol. 10 at 218).

Once the first motion failed, County Counsel advised the Board members that they did not need to reach the next step of making factual findings or granting *de novo* approval of the transfers of the FDPs. Hearing Transcript A.R. 7143 (Vol. 21 at 399); *see also* Board Agenda Letter A.R. 2953 (Vol. 11 at 811) (recommending findings of fact and *de novo* approval as subsections "b" and "d" following subsection "a" denial of the appeal). County Counsel recommended the Board make a conceptual motion to uphold the appeals. Hearing Transcript A.R. 7143 (Vol. 21 at 399). A conceptual motion was made by Capps, seconded by Lee, to uphold the appeals. A.R. 6755 (Vol. 21 at 11). The motion again "failed," as Nelson and Lavagnino voted against it. A.R. 6755 (Vol. 21 at 11); Hearing Transcript A.R. 7144 (Vol. 21 at 400) ("Motion fails two to two").

G. Sable's Letters Following the Vote

On February 26, 2025, one day after the Board hearing, Sable sent the Director a letter requesting the County transfer the FDPs. A.R. 6771 – 6773 (Vol. 21 at 27–29). Sable asserted the legal outcome of the tie vote was that it let the Planning Commission's approval stand, and therefore the County should transfer the FDPs. A.R. 6772 (Vol. 21 at 28). On March 1, 2025, EDC sent a letter to the Board in opposition. A.R. 6774 – A.R. 6778 (Vol. 21 at 30–34). EDC argued the tie vote constituted "no action," which effectively resulted in denial of the FDP applications. A.R. 6775 (Vol. 21 at 31). On

April 11, 2025, Sable sent a second letter with a request that the County transfer the FDPs and accompanied it with a threat to commence litigation for a writ of mandate. A.R. 6768 – 6770 (Vol. 21 at 24–26).

At the time of the vote during the public hearing, Capps asked County Counsel what the "potentially odd result" of the tie vote was. A.R. 7144 (Vol. 21 at 400). County Staff answered that "in order for the board to take any action, the board needs a majority vote. . . . So, on a tie vote, that's no action of the board." Hearing Transcript A.R. 7144 (Vol. 21 at 400). Following Sable's second letter, the Board went into closed session on April 16, 2025 to discuss the County's exposure to litigation regarding the FDPs. A.R. 6783 (Vol. 21 at 39). The action summary reflects the Board did not take any reportable action following the closed session. A.R. 6783 (Vol. 21 at 39). To date, the County has not taken any relevant subsequent action such as transferring the FDPs or holding a second public hearing and vote. *See also* Response at 10.

H. Petitioners File Suit

On May 8, 2025, Petitioners filed the instant lawsuit against Respondents. [Doc. # 1.] On July 25, 2025, the Court granted the Intervenors' Motion to Intervene. [Doc. # 39.] The cross-MSJs seek summary adjudication of the Complaint's first and second claim for relief for writ of mandate pursuant to California Code of Civil Procedure section 1085 and third claim for relief for writ of administrative mandate pursuant to California Code of Civil Procedure section 1094.5.

I. Requests for Judicial Notice ("RJNs")

Petitioners and Intervenors filed Requests for Judicial Notice ("RJN"). Petitioners request notice of: (1) a transcript of the Board's hearing on September 19, 2023 regarding the transfer of these FDPs to the Exxon Mobile Affiliates; (2) the County's agenda for the September 19, 2023 hearing; (3) the minute order following the September 19, 2023 hearing. [Doc. # 36-3 ("Petitioners RJN").] The transcript is a record of an agency's public hearing and the agenda and minute order are public records of agency action. *Coal. for a Sustainable Delta v. Fed. Emergency Mgmt. Agency*, 812 F. Supp. 2d

1089, 1093 (E.D. Cal. 2011); Fed. R. Evid. 201(b). The Court therefore **GRANTS** Petitioners' RJN.

Intervenors request notice of : (1) a 2025 letter from the California Fair Political Practices Commission ("FPPC") regarding Board Supervisor Hartmann; (2) Santa Barbara County Code Chapter 25B; (3) Santa Barbara County Planning and Development Department's Land Use Appeal Application Form; and (4) a transcript of the Board's hearing on August 22, 2023. [Doc. ## 43-6 ("Intervenors RJN"), 46-1, 47-2.]

The Court can take judicial notice of regulations and therefore **GRANTS in part** Intervenors' RJN as to Chapter 25B. *See Roemer v. Board of Public Works of Maryland*, 426 U.S. 736, 743 n.2 (1976) (taking judicial notice of state regulations); Fed. R. Evid. 201. The FPPC letter is a public record posted on a public agency's official website and is not subject to reasonable dispute. *Coal. for a Sustainable Delta*, 812 F. Supp. 2d at 1093; Fed. R. Evid. 201(b). Intervenors' RJN is **GRANTED in part** as to the letter. Judicial notice is taken to prove the public record's existence and content, but not for the truth of the matters asserted therein. *Coal. for a Sustainable Delta*, 812 F. Supp. 2d at 1093. The remainder of Intervenors' RJN is **DENIED as moot** as the Court did not rely upon this evidence. Because the Court grants Intervenors' RJN as to the 2025 letter, Petitioners' Alternative RJN for a 2016 letter from the FPPC regarding Hartmann is **GRANTED** for the same reasons. [Doc. # 46-4 ("Alternative RJN").]

The Court also takes *sua sponte* judicial notice of the Procedural Rules Governing Planning, Zoning and Subdivision Hearings Before the Board of Supervisors and Planning Commission (Santa Barbara County Res. No. 91-333) (hereinafter "Governing Procedural Rules"). Resolution 91-333 is posted on the Santa Barbara County website and is a public record. *See Coal. for a Sustainable Delta*, 812 F. Supp. 2d at 1093; Fed. R. Evid. 201(b).

II.

LEGAL STANDARD

Summary judgment should be granted "if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a); *accord Wash. Mut. Inc. v. United States*, 636 F.3d 1207, 1216 (9th Cir. 2011). Material facts are those that may affect the outcome of the case. *Nat'l Ass'n of Optometrists & Opticians v. Harris*, 682 F.3d 1144, 1147 (9th Cir. 2012) (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986)). Where the issues before the Court are questions of law, the case is particularly "well suited" for summary judgment. *Del Real, LLC v. Harris*, 966 F. Supp. 2d 1047, 1051 (E.D. Cal. 2013); *see also Asuncion v. Dist. Dir. of U.S. Immigration & Naturalization Serv.*, 427 F.2d 523, 524 (9th Cir. 1970).

A. California Code of Civil Procedure Section 1085

A traditional writ of mandate under California Code of Civil Procedure section 1085 "is used to compel a public entity to perform a legal and usually ministerial duty." *Move Eden Hous. v. City of Livermore*, 100 Cal. App. 5th 263, 272 (2024) (quoting *Schmid v. City & Cnty. of San Francisco*, 60 Cal. App. 5th 470, 484–485 (2021); Cal. Civ. Proc. Code § 1085.[8] A writ of mandate under Code 1085 is available "where the petitioner has no plain, speedy and adequate alternative remedy; the respondent has a clear, present and usually ministerial duty to perform; and the petitioner has a clear, present and beneficial right to performance." *Conlan v. Bonta*, 102 Cal. App. 4th 745, 752 (2002).

[8] Section 1085(a) states: "A writ of mandate may be issued by any court to any inferior tribunal, corporation, board, or person, to compel the performance of an act which the law specially enjoins, as a duty resulting from an office, trust, or station, or to compel the admission of a party to the use and enjoyment of a right or office to which the party is entitled, and from which the party is unlawfully precluded by that inferior tribunal, corporation, board, or person." Cal. Civ. Proc. Code § 1085(a).

B. California Code of Civil Procedure Section 1094.5

California Code of Civil Procedure section 1094.5, writ for administrative mandamus, "provides the procedure for judicial review of adjudicatory decisions rendered by administrative agencies." *Schmid*, 60 Cal. App. 5th at 483. Section 1094.5 applies to decisions made by agencies resulting from proceedings where "a hearing is required to be given, evidence is required to be taken, and discretion in the determination of facts is vested in the inferior tribunal, corporation, board, or officer." Cal. Civ. Proc. Code § 1094.5(a). These administrative proceedings are quasi-judicial in character. *Bright Dev. v. City of Tracy*, 20 Cal. App. 4th 783, 793 (1993). The reviewing court looks to see whether the required findings are supported by the evidence. *Id.* The inquiry under section 1094.5 is "whether the respondent has proceeded without, or in excess of, jurisdiction; whether there was a fair trial; and whether there was any prejudicial abuse of discretion." Cal. Civ. Proc. Code § 1094.5(b).

III.
DISCUSSION

A. First Claim for Relief: Traditional Writ of Mandate Under Section 1085

Petitioners' first claim for relief turns on the legal effect of the Board's tie vote on the Planning Commission's approval of Sable's FDP applications. *See* Petitioners MSJ at 14; Intervenors MSJ at 12. Petitioners argue the Board was not required to issue its own findings or take direct action to approve the FDP transfers, and therefore the tie vote leaves the appealed Planning Commission decision intact, similar to a tie vote in an appellate court. Petitioners MSJ at 14. Intervenors contend that because the hearing before the Board was *de novo*, the tie vote constitutes "no action" and effectively functions as a denial. Intervenors MSJ at 12–13. Respondents decline to take a position on the tie vote. Response at 8. Instead, Respondents provide a general overview of applicable law, conclude the effect of the tie vote is unclear, and defers to the Court. Response at 16.

"As a general rule an even division among members of an administrative agency results in no action." *Lopez v. Imperial Cnty. Sheriff's Off.*, 165 Cal. App. 4th 1, 4 (2008) (quoting *Clark v. City of Hermosa Beach*, 48 Cal. App. 4th 1152, 1176 (1996) (quoting *Graves v. Comm'n On Pro. Competence*, 63 Cal. App. 3d 970, 976–977 (1976))). This general rule, however, is subject to an exception dependent upon the nature of the administrative agency's review. "Tie votes mean different things in different contexts." *Vedanta Soc. of S. California v. California Quartet, Ltd.* (hereinafter "*Vedanta*"), 84 Cal. App. 4th 517, 521 (2000).

1. California Law on the Effect of Tie Votes

In order to resolve this context-dependent question, the Court turns to cases where California courts considered the issue of a tie vote. In *Vedanta*, the elected board argued the "default" result of a deadlock vote was an adoption of the lower planning commission's findings and explanations. 84 Cal. App. 4th at 528. The Court of Appeal reasoned that a tie vote *can* result in an acquiescence, but not where it constitutes "an affirmative act de novo." *Id.* at 529. According to the Court of Appeal, the "very fact" that findings "must be made *at all* is incompatible with the nature of a tie vote" and findings "are by nature affirmative acts" which inherently require the fact-finder to take "unambiguous" action." *Id.* In support of this, the Court of Appeal pointed to the requirements that the board at issue in *Vedanta* provide brief explanations of their rationale of any findings or state in writing the specific reasons to support its action. *Id.* The regulation required *de novo* review and *de novo* fact finding. *Id.* Although the Court of Appeal in *Vedanta* declined to rule on the effects of tie votes outside of the regulation at issue, its reasoning is persuasive in the case at hand. *Id.* at 534–5.

Similarly, in *Clark*, the Court of Appeal analyzed the effect of a tie vote on a planning commission's decision. *Clark*, 48 Cal. App. 4th at 1175. Petitioners argued one member of the council should have recused himself and, if he did, the resulting tie vote post-recusal would have affirmed the planning commission's decision. *Id.* at 1175. The Court of Appeal rejected this argument. Instead, the Court of Appeal ruled that a

theoretical tie vote would have affirmed one type of appeal provision (the parcel map) but would not have affirmed another (the conditional use permit). *Id.* This result was dictated by the differences between the applicable provisions. *Id.* The conditional use permit provision in *Clark*, presumably unlike the parcel map provision, required the council to hear the matter *de novo*, take additional evidence at a public hearing, and decide whether it should grant or deny the permit. *Id.* The Court of Appeal based this conclusion on language from the municipal code, which stated the council "shall order that the conditional use permit be granted, denied, or modified" and the action by the council shall be by three affirmative votes. *Id.* (internal quotations removed). This language dictated "[a] tie vote would not suffice." *Id.* at 1176. The municipal code in *Clark* was "virtually identical" to the one in *Anderson*. *Id.* (citing *Anderson v. Pittenger*, 197 Cal. App. 2d 188, 194–5 (1961)).

In *Anderson*, the city council ended in a tie vote over an appeal of an application for a zoning variance. 197 Cal. App. 2d at 189. The Court of Appeal ruled the tie vote constituted "no action," and not an affirmance of the order of the lower commission's decision, because: (1) the council was required to hold a public hearing after publishing notice, and (2) the council did not merely review and "affirm, reverse, or modify" the order of the commission, but was required by ordinance to "act upon the appeal." *Id.* at 194, 195. Moreover, the council was not bound by the findings of the commission or the testimony before the commission, and there were no limitations on new or additional testimony. *Id.* If the council were bound by the findings of the commission, there would be "no point" in requiring the public hearing. *Id.* The *Anderson* Court of Appeal concluded the council heard the matter *de novo* and made its own determination as to the facts. *Id.*

The Court of Appeal in *Rea* considered a similar set of facts. *Rea Enters. v. California Coastal Zone Conservation Com.* (hereinafter "*Rea*"), 52 Cal. App. 3d 596 (1975). In *Rea*, the regional commission approved petitioners' application for a coastal zone development permit. *Id.* at 601. The decision was appealed to the state

commission, which conducted a public hearing that resulted in a six-to-six tie vote. *Id.* The state commission's review was a "new, unlimited look at the same request for a permit by a de novo public hearing" and a "redetermination" "of the merits of the application." *Id.* at 605 (quoting *Klitgaard & Jones, Inc. v. San Diego Coast Reg'l Com.*, 48 Cal. App. 3d 99, 108 (1975)). The petitioners argued the jurisdiction of the state commission was one "strictly of an appellate nature" and therefore the tie vote resulted in an affirmance of the regional commission's decision approving the permit. *Id.* at 606–607. In support, they contended the *de novo* public hearing referred only to the process by which the state commission is required to gather evidence and the state commission could only "affirm, reverse, or modify" the regional commission's decision. *Id.* at 607. The Court of Appeal disagreed, noting that the language of "affirm, modify, or reverse" was not dispositive—although "grant or "deny" would have been "clear[er]." *Id.* at 608–609. Rather, the Court of Appeal looked to the legislative intent and other rules of statutory interpretation and concluded the tie vote did not affirm the regional commission's approval. *Id.* at 606–611.

Petitioners rely upon *Grist Creek Aggregates*, but that case is distinguishable. *Grist Creek Aggregates, LLC v. Superior Ct.*, 12 Cal. App. 5th 979 (2017). The *Grist Creek* Court analyzed California case law to address whether the tie votes were subject to judicial review. 12 Cal. App. 5th at 990. Regarding the *effect* of the tie vote, the court relied on three of the parties' *agreement* that the effect of the tie vote was to deny the appeal. *Id.* Accordingly, most of the *Grist Creek Aggregates* opinion is inapplicable.[9]

[9] Petitioners' reliance on the unpublished decision in *Serv. Emps. Int'l Union Loc. 1021* is not particularly helpful to their cause. *Serv. Emps. Int'l Union Loc. 1021 v. Cnty. of Mendocino*, No. 20-CV-05423-RMI, 2021 WL 3471176, at *1 (N.D. Cal. Aug. 6, 2021). There, the district court did not perform a robust analysis of the legal effect of a tie vote. Rather, it addressed the plaintiffs' failure to state a claim that a tie vote amounted to a violation of his federal due process rights. *Id.* at *3. In the process of that analysis, the district court tersely found that the tie vote functioned like an appellate court vote and left the original termination decision intact—as alleged in the plaintiffs' complaint. *Id.* at *4.

2. The Board's Tie Vote Meant It Took No Action on the Planning Commission's Decision

Chapter 25B is not identical to any of the applicable regulations in the cases described above. On one hand, Chapter 25B's procedural rules share some similarities with a purely appellate review. Rather than "grant or deny" the permits, the Board shall "affirm, reverse, or modify" the Planning Commission's decision to approve the FDPs. County Code § 25B-12(b)(4). The Planning Commission is the entity that "approve[s] or "deni[es]" applications for change of operator, owner, or guarantor. County Code §§ 25B-8(b)(1), 25B-8(a)(1)(a), 25B-9(e). And, unlike in *Clark*, Chapter 25B does not require any specific number of affirmative votes.[10] 48 Cal. App. 4th at 1175. The absence of "grant, deny, or modify" language in Chapter 25B, however, is not dispositive, and the cases other than *Clark* do not turn on regulatory language mandating a certain number of affirmative votes. *See Rea*, 52 Cal. App. 3d at 607–608. All other aspects of Chapter 25B appear to be consistent with the Court of Appeal's reasoning in *Vedanta*, *Clark*, and *Anderson*.

Chapter 25B provides that the Board's hearing shall be *de novo* and the Board shall hold a public hearing. County Code § 25B-12(b)(4). This suggests that the Board has the authority to engage in affirmative acts that go beyond merely reviewing the administrative record and giving a thumbs up or down. Here, like in *Vedanta*, the Board has the authority to conduct *de novo* fact-finding. 84 Cal. App. 4th at 519. When appealed, the Planning Commission supplies copies of the application and a statement of

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[10] The majority vote requirement is instead sourced from separate procedural rules that govern hearings before the Board. Governing Procedural Rules, Sec. IV, 1 ("Any action taken by the Board of Supervisors must be by a majority of the Board of Supervisors. An abstention shall not be counted as an affirmative vote on the motion."); *see also* A.R. 6772 (Vol. 21 at 29).

The same rules state "[i]n the event the Board takes no action because a motion on the item failed to carry by the affirmative vote of a majority of the membership, the matter may be continued at the request of any party or any Board member." Governing Procedural Rules, Sec. IV, 2. This rule is consistent with the Court's conclusion that a failure to reach a majority vote does not constitute affirmance or denial.

its findings setting forth the reasons for its decision to the Board. County Code § 25B-12(b)(3). Chapter 25B does not limit the Board's review to these findings, impose any evidentiary constraints, or mandate deference to the Planning Commission's findings. *See, e.g.*, *Anderson*, 197 Cal. App. 2d at 189; *Clark*, 48 Cal. App. 4th at 1175; *cf. Today's Fresh Start, Inc. v. Los Angeles Cnty. Off. of Educ.*, 128 Cal. Rptr. 3d 822, 839 (Ct. App. 2011), *review granted and opinion superseded*, 262 P.3d 854 (Cal. 2011), *and aff'd*, 57 Cal. 4th 197 (2013) (holding a tie vote upheld the lower decision where the review was limited to findings made by the lower body).[11] Instead, it simply states the public hearing "shall be de novo." County Code § 25B-12(b)(4). If the Board were bound by the findings of the Planning Commission, there would be "no point" to requiring the public hearing. *Anderson*, 197 Cal. App. 2d at 195.

Furthermore, the requirement that the Board make factual findings logically flows from its *de novo* review of the Planning Commission's decision. Chapter 25B requires the Planning Commission to make specific factual findings, and the applications for change of owner, guarantor, and operator, shall be approved "only if" those findings are met. *See* County Code §§ 25B-9(a), (e), 25B-10(a). The Board must look to the evidence supporting these required factual findings and determine whether those findings are supported.

Finally, it appears everyone throughout the entirety of the Board appeal and public hearing process agreed that the Board was required to make factual findings. County Staff recommended that the Board "make" the required findings for approval and "grant *de novo*" approval of the applications. Board Agenda Letter A.R. 2953 (Vol. 11 at 811). The failed motion, as reflected in the Board minutes following the hearing, was to deny

[11] Federal courts may consider unpublished California appellate decisions as persuasive authority. *Holt v. Noble House Hotels & Resort, Ltd*, 370 F. Supp. 3d 1158, 1165 (S.D. Cal. 2019) (citing California Rule of Court 8.1115(a)).

the appeal, make the required findings for approval, and grant *de novo* approval.[12] A.R. 6755 (Vol. 21 at 11). Sable's own response to the appeal is in accordance with this approach (A.R. 5240 (Vol. 14 at 495) [Doc. # 13-14] ("[T]he Planning Commission did not err in approving the Transfers, and [] the Board should *do the same*.") (emphasis added)) (A.R. 5257 (Vol. 14 at 512) ("We respectfully request that the Board . . . deny the Appeals, *make the required findings*, and grant *de novo* approval of the Transfers.") (emphasis added)).

In sum, although Chapter 25B is not a model of clarity, the *de novo* nature of the review and the Board's authority to do fact-finding, combined with the requirement of a public hearing and lack of evidentiary constraints, lead the Court to conclude the Board's review is not one "strictly of an appellate nature." *Rea*, 52 Cal. App. 3d at 606. Accordingly, the tie vote by the Board in an appeal under Chapter 25B was "no action," was not "acquiescence," and did not affirm or reverse the Planning Commission's approval of the FDPs. *Vedanta*, 84 Cal. App. 4th at 529. Petitioners' MSJ is **DENIED in part** and Intervenors' MSJ is **GRANTED in part** as to Petitioners' first claim for relief to the extent Intervenors assert the tie vote "did not affirm, reinstate, or otherwise leave in place" the Planning Commission's decision.

B. Second Claim for Relief: Traditional Writ of Mandate Under Section 1085

1. Ministerial Duty or Discretionary Duty

Under section 1085, the Court may issue a writ of mandate in two circumstances: (1) where the agency has a "mandatory" and "ministerial duty capable of direct enforcement" or (2) where the agency has a discretionary "quasi-legislative duty entitled to a considerable degree of deference" and that agency has abused its discretion. *CV*

[12] The motion by the Board includes all proposed findings and execution of all actions recommended in the County Staff's report. *See* Governing Procedural Rules, Sec. VII, 1 ("In the case of final action by the Board of Supervisors on a motion to affirm the Planning Commission's action or recommendation . . . the motion shall be deemed to include all proposed findings and execution of all actions recommended in the staff report.").

Amalgamated LLC v. City of Chula Vista, 82 Cal. App. 5th 265, 279 (2022). Whether a duty is ministerial is generally a question of law, namely statutory interpretation. *Id.*; *see also Rodriguez v. Solis*, 1 Cal. App. 4th 495, 502 (1991).

Where the duty is mandatory and ministerial, a court may issue a writ of mandate to compel a public agency or officer to perform this duty. *CV Amalgamated LLC*, 82 Cal. App. 5th at 279. A "ministerial act" is an act the public officer "is required to perform in a prescribed manner in obedience to the mandate of legal authority and without regard to his own judgment or opinion concerning such act's propriety or impropriety, when a given state of facts exists." *Id.* (quoting *Kavanaugh v. W. Sonoma Cnty. Union High Sch. Dist.*, 29 Cal. 4th 911, 916 (2003)). "A public entity has a ministerial duty to comply with its own rules and regulations where they are valid and unambiguous." *Id.* (quoting *Gregory v. State Bd. of Control*, 73 Cal. App. 4th 584, 595, (1999)).

If a public agency has abused its discretion in carrying out a discretionary function, a court may issue a writ of mandate to correct this abuse of discretion. *CV Amalgamated LLC*, 82 Cal. App. 5th at 279. Discretion is "the power conferred on public functionaries to act officially according to the dictates of their own judgment." *AIDS Healthcare Found. v. Los Angeles Cnty. Dep't of Pub. Health*, 197 Cal. App. 4th 693, 700 (2011) (quoting *Rodriguez*, 1 Cal. App. 4th at 501–502. Discretionary agency action amounts to an abuse of discretion where it is "palpably unreasonable and arbitrary." *CV Amalgamated LLC*, 82 Cal. App. 5th at 280 (quoting *Ellena v. Dep't of Ins.*, 230 Cal. App. 4th 198, 205 (2014)).[13]

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[13] Petitioners cite to cases interpreting "discretionary projects" and "ministerial projects" within the meaning of the California Environmental Quality Act (CEQA). *See* Petitioners MSJ at 19 (citing *Prentiss v. City of S. Pasadena*, 15 Cal. App. 4th 85, 89 (1993), *Health First v. Mar. Joint Powers Auth.*, 174 Cal. App. 4th 1135, 1142 (2009) and *Friends of Juana Briones House v. City of Palo Alto*, 190 Cal. App. 4th 286, 299 (2010)), 20 (citing *Sierra Club v. Cnty. of Sonoma*, 11 Cal. App. 5th 11, 19 (2017) and *Sierra Club v. Napa Cnty. Bd. of Supervisors*, 205 Cal. App. 4th 162, 176 (2012)). Although CEQA uses the terms "discretionary" and "ministerial," these terms and the interpretations thereof are based upon CEQA regulatory definitions that are not binding in this case. *See* Cal. Code Regs. §§ 15268, 15369.

2. Duties Under Chapter 25B

Petitioners assert two theories of duty: (1) the Board had a mandatory ministerial duty to act on the appeal, *i.e.*, affirm, reverse, or modify the Planning Commission's decision, and (2) the Board had a mandatory ministerial duty to deny the appeals once the required findings were met. Petitioners MSJ at 18. The Court will first address the duty to act on the appeal.

Chapter 25B mandates that the Board "shall affirm, reverse, or modify the planning commission's decision at a public hearing." County Code § 25B-12(4). A cardinal rule of statutory interpretation is that the Court's inquiry "begins with the statutory text, and ends there as well if the text is unambiguous." *BedRoc Ltd., LLC v. United States*, 541 U.S. 176, 183 (2004); *see also California Priv. Prot. Agency v. Superior Ct.*, 99 Cal. App. 5th 705, 722 (2024) (same under California law); *Herrera v. Zumiez, Inc.*, 953 F.3d 1063, 1070 (9th Cir. 2020) (holding courts apply California rules of statutory interpretation to California regulations). Statutory interpretation begins with the "plain and commonsense meaning" of the words themselves. *Herrera*, 953 F.3d at 1070. The language here is unambiguous. The Board *shall* affirm, reverse, or modify the decision, but the Board's tie vote did not do any of these things. Because the language is unambiguous, the Court need not look to Chapter 25B's legislative history or other extrinsic aids. *BedRoc Ltd., LLC*, 541 U.S. at 183; *see also Herrera*, 953 F.3d at 1071.

The Board's duty to affirm, reverse, or modify the Planning Commission's decision is mandatory and ministerial. Chapter 25B does not provide the Board discretion to decline—if an eligible appellant appeals with the required specific statement, the Board must hear the appeal and act upon it to affirm, reverse, or modify the underlying decision. *See* County Code §§ 25B-12(b)(1), (2); *accord California Priv. Prot. Agency v. Superior Ct.*, 99 Cal. App. 5th 705, 723 (2024) (where the timeline to adopt final regulations "shall be" a certain date, the agency had a mandatory duty to adopt final regulations by that date); *Sustainability of Parks, Recycling & Wildlife Legal Def. Fund v. Cnty. of Solano Dep't of Res. Mgmt.*, 167 Cal. App. 4th 1350, 1359 (2008)

(agency's obligation to hold a hearing upon receipt of a petition was ministerial); *Lazan v. Cnty. of Riverside*, 140 Cal. App. 4th 453, 460 (2006) (where employer "shall apply for disability retirement" upon a certain condition, the employer has a mandatory and ministerial duty to apply because it "has no authority to do otherwise"). The Board has no option, for example, to remand the matter back to the Planning Commission for further consideration. *Cf. Woody's Grp., Inc. v. City of Newport Beach*, 233 Cal. App. 4th 1012, 1026 (2015) (the municipal code allows the reviewing body to remand).

The use of the word "shall" indicates a legislative intent to impose a mandatory duty. *California Priv. Prot. Agency*, 99 Cal. App. 5th at 723 (citing *In re Luis B.*, 142 Cal. App. 4th 1117, 1123 (2006)). Respondents and Intervenors claim the word "shall" does not *necessarily* create a mandatory duty under *AIDS Healthcare Found.*, 197 Cal. App. 4th at 693. *See* Response at 19, Intervenors MSJ at 24. Although *AIDS Healthcare Found.* may stand for this general proposition, the facts and reasoning undergirding it are inapplicable to the case at hand. In *AIDS Healthcare Found.*, the petitioners sought a writ of mandamus to compel the health department to issue a regulatory order requiring adult film industry performers to take certain specific actions. 197 Cal. App. 4th at 696. The applicable statute stated the health department "shall take measures as may be necessary to prevent the spread of the disease or occurrence of additional cases." *Id.* at 701. In this context, the Court of Appeal found the term "shall" did not necessarily create a mandatory duty, because "[e]ven if mandatory language appears in a statute creating a duty, the duty is discretionary if the public entity must exercise significant discretion to perform the duty." *Id.* (quoting *Sonoma Ag Art v. Dep't of Food & Agric.*, 125 Cal. App. 4th 122, 127 (2004) (internal punctuation removed)). The Court of Appeal concluded the statute left the "measures as may be necessary," or the prescribed course of action to address the spread of diseases, to the health department's discretion.[14]

[14] Intervenors also rely on *Thompson* to claim the duty is not mandatory. Intervenors MSJ at 24 (citing *Thompson v. City of Lake Elsinore*, 18 Cal. App. 4th 49, 56 (1993)). In *Thompson*, although the

Here, the Board has no such discretion as to *what* courses of action it can take—it must affirm, reverse, or modify. Nor does it have the option *not* to take any of those three actions. It has discretion to decide *which* action of the three to take, and discretion within its *de novo* review process (*see supra* Part III(A)), but these discretionary actions are separate from the mandatory and ministerial process of hearing and affirmatively acting on the appeal. *See, e.g., CVG Amalgamated LLC*, 82 Cal. App. 5th at 221 (separating the ministerial procedural requirements of the ordinance from the discretionary merit-based scoring portion of the ordinance).

Although the Board's failure to act was not purposeful, as the tie vote presumably was unexpected and unplanned, the Board has yet to "affirm, reverse, or modify" the decision following Petitioners' demand letters and the Board's closed session. *See* Petitioners MSJ at 18. A traditional writ of mandamus is appropriate here to compel the Board to "affirm, reverse, or modify" the Planning Commission's decision where it essentially has failed to act following the tie vote. Moreover, "[m]andamus does not lie to compel a public agency to exercise discretionary powers in a particular manner, only to compel it to exercise its discretion in some manner." *AIDS Healthcare Found.*, 197 Cal. App. 4th at 700–701 (citing *Excelsior Coll. v. Bd. of Registered Nursing*, 136 Cal. App. 4th 1218, 1238 (2006)); *see also* Intervenors Reply at 12–13. In other words, having concluded that the Board's *de novo* review of the Planning Commission's decision is discretionary rather than purely appellate in nature, the Court may not compel the Board to affirm or reverse the Planning Commission's decision before the Board has made any decision at all. But the Court may compel the Board to *exercise* its discretion to affirm, reverse, or modify and essentially try again until it reaches a determination in compliance with the requirements of Chapter 25B—an affirmance, reversal, or

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ordinance stated the building official "shall" issue a permit if the application met all requirements, the Court of Appeal concluded the issuance of building permits is a historically discretionary function. *Id.* at 56 n.9, 57. This action does not concern building permits—the reasoning in *Thompson* is inapposite.

modification tethered to factual findings under Chapter 25B-8, 9, and 10 would satisfy the Board's mandatory duty to act.

Indeed, the Board has expressed its willingness to hold a new hearing. *See* Response at 24. The trial court in *Lopez* similarly remanded the matter back to the board to conduct another vote. *Lopez*, 165 Cal. App. 4th at 3. The Board here, like in *Lopez*, had five members "to foster decisions by majority votes and to avoid tie votes." *Id.* at 5. The fifth abstaining board member in *Lopez* abstained on an erroneous basis. *Id.* Accordingly, with the Court of Appeal's instruction, the remand restored the board to its intended odd number of members. *Id.* Here, Hartmann recused herself from the vote, but her presumed conflict of interest may not in fact exist.[15] On June 27, 2025, the FPPC sent a letter to County Counsel for Santa Barbara County, at County Counsel's request, regarding Hartmann's purported conflict of interest based upon her ownership of a real property parcel approximately 900 feet from the pipeline. Intervenors RJN, Ex. 1 [Doc. # 43-6 at 6–13.][16] The letter states that under certain conflict-of-interest provisions, Hartmann does not have a disqualifying financial interest in the County's decisions regarding Sable's Chapter 25B FDP applications. *Id.* at 8. That said, as Petitioners point out, Hartmann received a similar letter from the FPPC in 2016 but still recused herself in 2023. Alternative RJN, Ex. 1 [Doc. # 46-5 at 4–8]. Regardless, this factual development does not undermine the Court's ruling as the Court does not rely upon Hartman's recusal status. Whether or not Hartmann participates in the vote, the Board members must vote to "affirm, reverse, or modify" the Planning Commission's decision—which includes

[15] Regarding the Sable FDP applications, Hartmann did not state on the record her reasons for recusal. In 2023, however, regarding the Exxon Mobil Affiliates application for FDP transfer of the pipeline, she stated "the pipeline runs directly adjacent to the northeastern corner of my property," so "due to conflict of interest potential" she recused herself. Petitioners RJN, Ex. 1 at 3 [Doc # 36-5]; *see also* Petitioners RJN, Ex. 3 at 2 [Doc. # 36-7].

[16] County Counsel originally made this request to the Attorney General's Office and the Santa Barbara County District Attorney's Office, who forwarded it to the FPPC. Intervenors RJN, Ex. 1 at 6.

upholding or denying the appeals and making the required factual findings under Chapter 25B-8, 9, and 10.[17]

C. Third Claim for Relief: Administrative Writ of Mandate Section 1094.5

Because the Court remands this matter back to the Board pursuant to Petitioners' second claim for relief under section 1085, it need not reach Petitioners' third claim for relief in the alternative for administrative writ of mandate under section 1094.5. *See* Petitioners MSJ at 26–28.

IV.
CONCLUSION

In light of the foregoing, as to the first claim for relief, the Court **DENIES in part and GRANTS in part** Petitioners' MSJ and **GRANTS in part** the Intervenors' MSJ insofar as it concludes that the Board's tie vote constitutes no action and does not affirm or reverse the Planning Commission's decision. Regarding the second claim for relief, and only as to the Board's ministerial duty to "affirm, reverse, or modify" the Planning Commission's decision, the Court **GRANTS in part** Petitioners' MSJ and **DENIES in part** Intervenors' MSJ.

Petitioners are entitled to issuance of a peremptory writ of mandate pursuant to California Code of Civil Procedure 1085 directing the Board to "affirm, reverse, or modify" the Planning Commission's decision in compliance with Santa Barbara County Code Chapter 25B. The Court will issue a peremptory writ of mandate forthwith.

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[17] In upholding or denying the appeals, Board members must comply with the requirements of Chapter 25B and Governing Procedural Rules. Lee's sparse remarks to the effect that restarting the facilities and pipeline was an "insane" and "bad" idea, and his vote was the "right thing to do," without a single mention of the findings required under Chapter 25B, would not exemplify compliance. *See* Governing Procedural Rules, Sec. VII, 1 (requiring any final action to be accompanied by written findings); *see also Topanga Assn. for a Scenic Cmty. v. Cnty. of Los Angeles*, 11 Cal. 3d 506 (1974) (agencies making decisions must render findings sufficient to allow the parties to determine whether and on what basis they should seek review and to apprise the reviewing court of the basis behind the Board's findings).

This action is **STAYED and administratively closed** pending the Board's compliance with the Court's peremptory writ of mandate. Any party may file a motion to lift the stay upon verification of the Board's compliance with the writ of mandate and, as appropriate, move to reopen the case or dismiss it.

IT IS SO ORDERED.

DATED: September 12, 2025

DOLLY M. GEE
CHIEF U.S. DISTRICT JUDGE

EXHIBIT 4

SETTLEMENT AGREEMENT

BETWEEN

CELERON PIPELINE COMPANY OF CALIFORNIA

AND THE

COUNTY OF SANTA BARBARA

FEBRUARY 8, 1988

SETTLEMENT AGREEMENT

This Agreement is entered into this 8th day of February 1988 between the County of Santa Barbara and Santa Barbara County Flood Control District hereinafter referred to collectively as "COUNTY" and Celeron Pipeline Company of California hereinafter referred to as "CELERON".

I. RECITATIONS

Whereas, Celeron, as part of the All American Pipeline Project, has constructed a 30" diameter pipeline which extends from Gaviota to Emidio, California. The portion of Celeron's pipeline in Santa Barbara County is shown in the attached Exhibit A. Exhibit A also sets forth the planned additions, feeder lines and pump stations in Santa Barbara County to this pipeline system.

Whereas, Celeron has received construction permits from the County and has constructed the completed portion of the pipeline. The attachment marked as Exhibit B sets forth those permits and conditions in effect during the time of Celeron's construction.

Whereas, Celeron objected to some of the permit conditions claiming that the conditions were outside of the jurisdiction of the County to enforce and represented an exaction upon Celeron. Celeron filed Notice of Objection and Protest of the fees and exactions. Failing to resolve this matter by negotiation, Celeron filed its action in the United States District Court, Central District of California in April, 1987, Case Number CV-87 02088, styled "Celeron Pipeline Company of California, a Delaware Corporation, versus County of Santa Barbara" (Federal Action). Celeron's Complaint in the Federal Action sought injunctive and declaratory relief and a refund for impositions of fees and exactions previously paid.

Whereas, previous to the objections raised by Celeron, the County established a process for a third party review and inspection which is now a subject of litigation. The Federal Action is based in part on Celeron's contention that the County has no jurisdiction to require this process by reason of the Federal preemption under the Hazardous Liquids Pipeline Safety Act and the regulations thereunder in 49 CFR 195 (Part 195). The Parties through this Agreement intend to resolve the review and inspection role of the County.

Whereas, the parties have disagreed as to the scope of the County's jurisdiction over interstate pipelines. As to areas covered by Part 195, the County is generally without jurisdiction. There are some environmental aspects of construction which are under County jurisdiction and these are some areas that need greater clarification.

Whereas, the County through County Counsel and Department Heads along with representatives of Celeron have met and negotiated this Agreement to settle the issues arising from litigation. The attached Exhibit C is the proposed Order to be signed by the Court establishing the jurisdictional issues raised in the case and approving and incorporating this Settlement Agreement as appropriate.

Whereas, Celeron has received modifications of some of the conditions affecting Celeron's right to design, construct and operate this pipeline. Some of tne conditions are purely environmental, others are matters that are jurisdictional with the U.S. Department of Transporation and otners perhaps are mixed. The modified Conditions are attacned as part of Exhibit D.

Whereas, Celeron has performed its audit in part on the County and certain of its contractors. The result of this audit is contained in the attachment marked Exhibit E.

Whereas, Celeron may have need of a pipeline easement over some property owned by the County Flood Control District on Celeron's proposed Interconnect Line from Shell's proposed processing facility near Santa Maria to Celeron's Sisquoc Pump Station. The requested form of the Option of Easement together with a brief description of the land under consideration is set forth in the attached Exhibit F.

Whereas, the County will adopt a Resolution supporting the Celeron Pipeline as it extends from Gaviota to Las Flores. Attached to this Agreement is Exhibit G which sets forth this Resolution.

Whereas, the County has previously filed a Complaint with the United States Department of Transportation (D.O.T.) which has now been reviewed. The D.O.T. found that the pipeline, as now constructed, is constructed in conformance with all federal standards. These reports are attached as Exhibit H.

Whereas, the Part 195 federal regulations covering Celeron's interstate pipeline are attached and marked Exhibit I. The attached letters from Frank Breckenridge, Building Official of the Division of Building and Safety, Department of Public Works for the County attacned as Exhibit J and Exhibit K are an accurate description of how future pipeline construction will be reviewed and approved by Public Works.

WHEREAS, IN CONSIDERATION OF THE MUTUAL PROMISES, UNDERSTANDINGS AND DOLLAR CONSIDERATIONS HEREINAFTER SET FORTH, THE PARTIES AGREE AS FOLLOWS:

II. JURISDICTION OF COUNTY OVER INTERSTATE PIPELINE

2.1 The County and Celeron agree that the jurisdiction of the County over an interstate pipeline is limited and partially preempted by the provisions of the federal Hazardous Liquids Pipeline Safety Act and 49 CFR Part 195 which are set forth in full in Exhibit I. This issue was specifically addressed to the Court in the Federal Action on October 14, 1987 and again at the December 14, 1987 hearings.

2.2 The County shall have no authority over the design, construction and operation of Celeron's interstate pipeline except as might be set forth under this Agreement including the attached Exhibit D, J, and K or as the County may be required to assert under a mandatory and enforceable state or federal law or regulation. This means clearly that the County will not require any permit to construct or operate Celeron's pipeline except as specifically set forth in this Agreement including the attached Exhibits D, J, and K. In the event Exhibit D is modified with the express written consent of Parties, such modified Exhibit D will be controlling under the terms of this Agreement.

2.3 Should Celeron seek to construct a new interstate pipeline project which requires from the County a new Preliminary and/or Final Development Plan, the County and Celeron will work together to satisfy environmental concerns. All Preliminary/Final Development Plan conditions required to satisfy County's concerns must be compatible and not inconsistent with this Agreement unless mutual written agreement is reached between Celeron and the County.

2.4 The Parties will request the Federal Court in the Federal Action to sign the proposed Order marked as Exhibit C. Any right either Party has to appeal the Order entered by the Court is specifically waived.

2.5 It is mutually understood and acknowledged by Celeron and the County that if Celeron is forced to stop work during pipeline construction and/or operation by reason of some action of the County, the cost to Celeron could be extremely high depending on the activity stopped or delayed. Prior to exercising any stop work authority, the County and Celeron agree to exercise their best efforts through their senior personnel to resolve the issues involved. It is for this reason that the Parties seek to clarify the areas where the County can issue a stop work order without resort to a judicial action and areas where the County would be required to seek judicial relief.

2.5.1 Celeron will comply with all relevant design, construction and operating standards in 49 CFR 195; however, it is agreed that the County's stop work authority in those areas covered by Part 195 shall be limited to those cases where there is clear and convincing evidence that Celeron's activity, unless stopped, would:

- o Pose a present and imminent threat to life or property;
- o Violate the terms of this Agreement with the Exhibits attached hereto, and result in irreparable injury; or,
- o Violate a provision of the Environmental Quality Assurance Program which sets forth its own means and method for work activity stoppage.

2.5.2 The County agrees that, if it uses its lawful stop work authority, work stoppage shall be limited to the particular work that is objectionable and not to any other work being done by Celeron.

2.5.3 If after execution of this Agreement, the County is taking or contemplating the taking of any action which involve Part 195 areas and is not authorized under 2.5.1 above, including suspending or withholding ministerial permits, and which will stop or delay Celeron's construction and/or operation, the County shall immediately cease such action or contemplated action upon receipt of a written notice from Celeron stating its objection. In such case, County's action or proposed action may resume or commence only upon the County obtaining judicial sanction by order of a State or Federal Court.

2.5.4 Except as specifically limited by this Agreement, the County shall retain its right to apply review, approval or enforcement procedures pursuant to law covering Celeron's actions in violation of this Agreement or in violation of the terms and conditions of Celeron's permits which have been issued and approved by Celeron or in violation of statutes, ordinances and regulations which are not preempted and which lawfully pertain to the Celeron project.

2.5.5 Either Party at any time shall have the ability to file an action in either Federal or State Court claiming a breach of this Settlement Agreement. Nothing contained in this Agreement is intended to preclude either Party from filing such an action.

2.6 To the best knowledge and information and belief of the County there are no actions intended of a civil or criminal nature against Celeron or any of its employees. The County agrees to drop its appeal of the Planning Commission's decision to modifying Exhibit D. The County agrees that no further action will be taken to require Celeron to modify any of its presently constructed pipeline in areas covered by Part 195. The only exception would be for future activities involving the presently constructed pipeline that represent an imminent threat to persons or property under the County's police power.

III. PRESUMPTIONS OF PREEMPTION

3.1 For an aid in determining what is preempted by Part 195 and what is a valid area for the County to enter based upon the terms of this Agreement it shall be presumed that the County is preempted:

3.1.1 If the activity to be performed is covered by Part 195.

3.1.2 If the activity to be performed is impliedly but not expressly specified by Part 195 and it deals with design, construction or operation of an interstate pipeline. The activities of Public Works and Flood Control, which are specifically covered in Exhibits J and K are excepted from this presumption.

3.1.3 If the activity to be performed is one foot or more below the surface of the ground. The activities of Public Works and Flood Control below one foot below the surface which are not covered by this presumption are set forth in Exhibits J and K.

3.2 The presumption of preemption can only be rebutted by clear language granting jurisdictional rights to the County under the terms of this Agreement including Exhibit D or by law binding upon the County and Celeron.

3.3 Notwithstanding the provisions of Paragraphs 3.1 and 3.2, the County shall retain its police powers as necessary to prevent present and imminent danger to persons or property.

IV. FUTURE REVIEW, APPROVAL AND MONITORING

4.1 In the areas that are covered by the D.O.T. under Part 195, the County and Celeron will comply with Exhibit D as amplified and clarified below:

4.1.1 Exhibits J, and K set forth the specific power and rights of the County to review, approve and monitor construction. For purpose of pre-construction review, Celeron shall be required to submit only the documents listed in Exhibit K. Celeron shall not be required to develop for the County any document relating to Part 195 areas unless such document is specifically listed in Exhibit K.

4.1.2 Celeron shall bear the cost of this review process and consultation which shall not exceed $1,250.00 per mile of pipeline construction or $4,000.00 per pump station. Should such costs be higher than these amounts such costs shall be borne entirely by the County. The County has completed its review of the Sisquoc Pump Station and Alignment Sheet #2 of the Las Flores extension. Celeron agrees to pay the entire cost of this review.

4.1.3 The cost of the County's Public Works designee during construction will not exceed 500.00 dollars per day. The total cost for the County designee on the segment from Gaviota to Las Flores will not be greater than $12,000. Any costs above these amounts shall be borne entirely by the County.

V. RIVER CROSSINGS

5.1 Celeron and County agree that the scour depth of the future pipeline crossings at the Santa Maria and Sisquoc Rivers will be a minimum of twenty feet below the thalweg (flow line) unless a lesser depth is approved by both parties.

VI. ENVIRONMENTAL AREAS

6.1 There are a number of environmental areas where the County has jurisdiction to place conditions upon Celeron. One of the major concerns that Celeron has relative to these conditions is the area of environmental monitoring costs. Specifically, Celeron is concerned that successful revegetation is being frustrated by reason of the grazing cattle and other animals on the right-of-way.

In recognition of potential revegetation problems due to grazing, the County will apply the following evaluation procedures to specific locations determined by the County, in consultation with Celeron, to have severe grazing problems:

6.1.1 After initial seeding efforts, locations subject to grazing will be assessed for absolute percentage cover of the specified plant species. This assessment shall be accomplished by the County revegetation monitor.

6.1.2 Should the absolute percentage cover value fall below 40 per cent, Celeron shall reseed the area according to the Revegetation Plan (Condition H-1), implementing appropriate additional measures in the Plan which have been developed to improve the likelihood of successful revegetation. Application of these additional measures shall be acceptable to the County, Celeron, and landowner on a site-specific basis.

6.1.3 At an appropriate time of the year, (winter to early spring, beginning in the Spring of 1988) the County as part of the Revegetation Monitoring Program, shall reassess the reseeded location for absolute cover. Should absolute cover fall between 40 to 70 per cent, the County shall re-evaluate the location for relative percentage cover, as described in 6.1.4 below.

6.1.4 Relative percentage cover shall be determined by comparing the "on-right-of-way" (on-ROW) location to vegetative cover off the ROW. This assessment shall be made by the County, in consultation with Celeron. The grazed location may be released from further revegetation treatment if this assessment reveals that vegetative cover on the ROW is at least 90% of cover off-ROW. Celeron will use its best efforts to obtain a landowner release for the County for these specific locations. The intent of this relative cover assessment is to evaluate revegetation of specific grazed locations along the ROW relative to adjacent vegetative and other environmental conditions.

6.2 In order to place some quantifiable measure of exposure to Celeron on revegetation and the cost of long-term revegetation monitoring of completed construction, it is agreed that future annual revegetation monitoring costs shall be based on unreleased miles* and competitive annual revegetation monitoring bids. The County will base monitoring costs for the year 6/1/88 to 6/1/89 on a revegetation survey to be performed prior to May 1 1988 and timed so as to observe maximum revegetation success. Subsequent revegetation monitoring contracts will be based on similar surveys. The contract for the constructed pipeline should not exceed $1,500 per unreleased mile.

The future long-term revegetation monitoring contract for the as yet unbuilt coastal pipeline segment has not been developed. However, the County agrees that long-term revegetation monitoring of grassland portions should not exceed $3,000 per mile for the first year and $1,500 per unreleased mile thereafter. Celeron recognizes that the costs of long-term monitoring of riparian zones will be higher.

* "Unreleased mile" refers to sections of the right of way not released from Celeron's revegetation bond coverage.

Based on the currently proposed project, current costs, and the County's understanding of the project, future long-term revegetation monitoring contract for the Interconnect pipeline should not exceed $1500 per unreleased mile for the first year and each succeeding year.

6.3 Celeron shall be entitled to full and timely consultation during the development of the long-term revegetation monitoring proposal, including the selection and scoping process, to assure that long-term revegetation monitoring is occurring in the most cost effective manner possible, with the ultimate goal of phasing out long-term revegetation monitoring in an efficient and timely way. This consultation includes the development and implementation of methodologies on the existing ROW and any future areas constructed.

VII. OPTION FOR EASEMENT

7.1 The County agrees to grant to Celeron upon execution of this Agreement an Option to acquire an Easement over property owned by County for Celeron's proposed interconnect pipeline. The terms and conditions of the Option are described in Exhibit F. The promises contained in this Agreement will serve as consideration for this Option. The Option may be exercised within a period of five years from date of this Agreement. Celeron may record the Option in the public records. The County may impose reasonable conditions in the Easement that protect the existing adjacent flood control levee. In any event the final form of the Easement shall provide:

A 50 foot permanent easement will be granted by the County with an additional 50 feet of working space unless less area is needed by Celeron.

The Easement price will be based upon 60% of the agricultural value of the permanent easement area acquired by Celeron from the County.

Celeron shall have the right to modify the location of its Easement based upon changes made in the routing of the Interconnect.

VIII. COSTS

8.1 The County has agreed to modify its billing for previous charges made to Celeron to eliminate all County charges arising from its D.O.T. Complaint, the inquiry by the County Sheriff's Office or District Attorney's Office for potential criminal complaints, the Federal Action including time charges for staff and all other costs incurred by County including the cost of Public Hearing required by the County to reach this Settlement Agreement. The computation for these charges is set forth in Exhibit L and represents all the charges made to Celeron for which Celeron should receive a credit or refund.

8.2 Celeron will not bear any costs associated with the development of a future Complaint to the D.O.T. In the event the County decides to file a Complaint with the D.O.T. and that Complaint is dismissed or otherwise determined by the D.O.T. to be ill-founded, the County will bear all of its own costs associated with the filing of the Complaint. The County agrees that it will give Celeron 10 days written notice before filing a complaint with D.O.T. unless there is an imminent danger to person or property that prohibits a 10 day notification. The County agrees that it will not directly or indirectly file a D.O.T. complaint unless it has concrete verifiable evidence of a significant D.O.T. violation by Celeron.

8.3 Celeron shall pay Native American monitors selected by Celeron up to the hourly rate of its normal archeological staff person unless Celeron is satisfied the particular monitor has greater qualification and is therefore entitled to greater compensation. This means that Celeron may pay the particular Native American monitor selected to monitor for cultural concerns at the rate of a field hand or, depending upon his or her qualifications, at a rate comparable to other archeological personnel based upon their technical expertise.

8.4 Celeron and County representatives will meet to review Exhibit E. If the County and Celeron agree on the overcharges made by the County Contractors, County will use its best efforts, short of litigation, to collect such overcharges. If Celeron believes that litigation is required, the County will transfer to Celeron all of its rights to enforce the terms of its contract with the consultants and will cooperate with Celeron as appropriate in the litigation brought by Celeron.

IX. FIRE STATION

9.1 Celeron has previously committed itself to fund a portion of a fire station under provisions of the Final Development Plan P-7 and P-8 Conditions. The fire risk of Celeron's facilities is minimal due to the nature of its operation and the crude oil it will carry. The method of determining Celeron's liability shall take into account the relative risk of fire associated with Celeron's facility and the service radius of the fire station contemplated by such Conditions. County shall require full participation by other projects occurring in the area which the fire station may serve together with future projects served by the proposed station.

X. EMERGENCY RESPONSE PLAN

10.1 The County-wide Emergency Response Plan requires participation by Celeron. The cost burden upon Celeron shall be shared with present and future projects included in the plan based upon a risk analysis.

XI. AUDIT

11.1 The attached audit reports marked Exhibit E will be the basis for the County's inquiry into charges made by its Consultants to the Celeron Project. If the County determines that there are overcharges, it will use its best efforts, not including litigation, to obtain adjustments for any overcharges made by the County's consultants and give Celeron credit for such adjustments. If the County and Celeron do not agree on the appropriate adjustments, County will assign its contractural rights to Celeron in order to enable Celeron to pursue its collection efforts.

XII. CULTURAL PROCEDURES

12.1 The County and Celeron will in good faith discuss ways to maximize consistency between currently approved FDP Conditions concerning cultural resources and Celeron's approved Memorandum of Agreement between the U.S. Bureau of Land Management, affected State Historic Preservation Officers, and the Advisory Council on Historic Preservation for all future construction activities by Celeron.

XIII. GENERAL

13.1 In the event of any action or proceeding required to be filed to interpret and/or enforce any provisions of this Agreement, the prevailing Party shall be entitled to receive from the other Party all damages and as costs all of its attorney fees and other costs reasonably incurred.

13.2 The Exhibits which are attached are made a part of this Agreement as if fully set forth herein. Should there be a conflict between the terms of this Agreement and the attached Exhibits the text of this Agreement will control.

13.3 Celeron shall have the right to assign all or any part of the rights under this Agreement to third parties at its discretion.

13.4 The duration of this Agreement shall extend for the period that Celeron or its successors or assigns is designing, constructing or operating its interstate pipeline facilities in Santa Barbara County.

13.5 Nothing in this Agreement shall be construed to restrict County's authority derived from future changes to state or federal laws, except as set forth in this paragraph. To the extent that such changes do not deal with police powers as defined herein and are not mandatory upon the County, the parties shall meet and discuss implementation. To the extent that County and Celeron are not able to reach agreement on the implementation and in case of conflict with this Agreement, this Agreement shall control. If

the DOT gives up some or all of its jurisdiction over the design, construction and/or operation of Celeron's pipeline and DOT delegates such authority to the County then, notwithstanding the foregoing, the County shall have the right to exercise such authority without restriction under this Agreement.

13.6 Nothing in this Agreement is intended to diminisn federal authority or jurisdiction over Celeron including federal power given to the State Fire Marshal.

This Agreement represents the full agreement between Celeron and the County and, subject to compliance of tnis Agreement, disposes of all issues raised in Celeron's Complaint against the County and any action or contemplated action by the County against Celeron. This Agreement can only be modified or amended in writing subscribed to by the respective Parties. The terms and conditions of this Agreement will be binding upon tne County and upon Celeron, its successors and assignees.

Dated the 8th day of February, 1988

Signed:

CHAIRMAN, BOARD OF SUPERVISORS

SANTA BARBARA COUNTY
FLOOD CONTROL DISTRICT

CELERON PIPELINE COMPANY
OF CALIFORNIA

Approved As To Form:

Kenneth Nelson
County Counsel

Approved As To Form:

John Dee Roper
Celeron Counsel

EXHIBIT 5

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COUNTY OF SANTA BARBARA and
SANTA BARBARA COUNTY BOARD OF
SUPERVISORS,

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SABLE OFFSHORE CORP. et al.,

Petitioners/Plaintiffs,

v.

COUNTY OF SANTA BARBARA, et al.,

Respondents/Defendants.

and

ENVIRONMENTAL DEFENSE CENTER, et al.,

Intervenors.

CASE NO. 2:25-cv-04165-DMG-AGR

RESPONDENTS COUNTY OF SANTA BARBARA AND SANTA BARBARA COUNTY BOARD OF SUPERVISORS RESPONSE TO PETITIONERS' STATEMENT OF UNCONTROVERTED FACTS AND PROPOSED CONCLUSIONS OF LAW

[Filed concurrently with Response to Petitioner's Motion for Summary Judgment; Request to Take Judicial Notice; and [Proposed] Order]

Complaint Filed: May 8, 2025

Date: September 12, 2025
Time: 2:00 p.m.
Ctrm.: 8C
Judge: Hon. Dolly M. Gee
Mag. Judge: Hon. Alicia G. Rosenberg

Pursuant to Rule 56 of the Federal Rules of Civil Procedure, Rule 56-2 of the Local Rules for the Central District of California, and this Court's Initial Standing Orders (Dkts. 20 and 23), Respondents/Defendants COUNTY OF SANTA BARBARA and SANTA BARBARA COUNTY BOARD OF SUPERVISORS respectfully submit this Statement of Uncontroverted Facts in support of Respondents' Opposition to Petitioners' Motion for Summary Judgment.

PETITIONERS' ALLEGED UNCONTROVERTED FACTS AND SUPPORTING EVIDENCE	RESPONDENTS' POSITION
COMMON FACTS SUPPORTING SUMMARY JUDGMENT ON FIRST, SECOND, AND THIRD CAUSES OF ACTION	
Facilities For Which The Planning Commission Granted Transfer of Permits	
1. The Santa Ynez Unit ("SYU") consists of the onshore components connecting offshore platforms Hondo, Harmony, and Heritage to the associated onshore processing facilities. The SYU is authorized by the County under FDPs 87-DP-32cz (modified on July 25, 2001, with 87-DP-032cz (RV05) Synergy Project) (modified on Feb. 19, 2003, with 87-DP-032cz (RV06) Offshore Power Cable Repair & Enhancement Project). *Evidence*: Dkt. 13-1, 8 (Agenda for October 30, 2024 Planning Commission Hearing "**Planning Commission Agenda**"); Dkt. 13-1, 21-26 (October 22, 2024, Planning Commission Staff Report for a	Undisputed.

299-311 (Second Response to Notice of Incompleteness, July 1, 2024); Dkt. 13-1, 312-349 (Third Response to Notice of Incompleteness, July 23, 2024).	
12. As part of its application, Sable submitted the following documents: • An application for each of the Facilities • Emergency Response Plan (April 2024) • Enterprise Value and Post-Close Financials • Letters from a responsible official representing the owner and operator formally accepting all conditions and requirements in the permits • Transition Plan (SYU-POPCO) • Transition Plan (Pipeline) • Las Flores Pipeline Integrated Contingency Plan • Las Flores Pipeline Noise Monitoring and Control Plan • Las Flores Pipeline Pump Station Fire Protection Plan • Las Flores Pipeline Safety Inspection Maintenance and Quality Assurance Program ("SIMQAP")	Undisputed.

Incompleteness); Dkt. 13-1, 299-311 (Second Response to Notice of Incompleteness); Dkt. 13-1, 312-349 (Third Response to Notice of Incompleteness).	
13. On July 30, 2024, County staff determined Sable's application was complete. *Evidence*: Dkt. 13-1, 23 (Staff Report).	Undisputed.
14. County staff concluded that Sable's application satisfied all the requirements required by Chapter 25B for each of the permit transfers requested in the application and recommended the Planning Commission approve the transfers. *Evidence*: Dkt. 13-1, 27-58 (Staff Report "Consistency with Chapter 25B"); Dkt. 13-10, 228-234 (Staff presentation to Planning Commission at October 30, 2024 hearing ("**Staff Presentation I**")).	Disputed that County staff concluded Sable's application "satisfied all the requirements required by Chapter 25B" for each of the permit transfers requested in the application. County staff concluded that the applications were "consistent with Chapter 25B." Dkt. 13-1, 27-58 (Staff Report "Consistency with Chapter 25B"); Dkt. 13-10, 229-233 ("Consistency

16. On October 30, 2024, after timely notice and a public hearing that lasted approximately six hours, the Planning Commission approved the FDP transfers from the ExxonMobil affiliates to Sable after confirming that all Chapter 25B requirements were met. The Planning Commission approved the Transfers by a vote of 3 to 1. *Evidence*: Dkt. 13-1, 10-19 (Noticing Documents for October 30, 2024 Planning Commission hearing ("**Planning Commission Noticing Documents**")); Dkt. 13-10, 256-258 (Planning Commission Minutes); Dkt. 13-11, 28-29 (November 4, 2024 Planning Commission Action Letter ("**Planning Commission Action Letter**")); Dkt. 13-21, 43-195 (October 30, 2024 Planning Commission Hearing Transcript "**Planning Commission Transcript**").	Undisputed that notice of the public hearing was timely, that the hearing lasted approximately six hours, and that the Planning Commission approved the request by a vote of 3 to 1. Disputed that the Planning Commission "confirm[ed] that all Chapter 25B requirements were met[.]" The Planning Commission made findings as specified in Attachment A to the staff report dated October 22, 2024. Dkt. 13-10, 256-258 (Planning Commission Minutes); Dkt. 13-11, 28-29 (November 4, 2024 Planning Commission Action Letter ("**Planning Commission Action Letter**")).
17. On November 5, 2024, the Center for Biological Diversity ("CBD") and the Wishtoyo Foundation provided notice of appeal	Undisputed.

Evidence: Dkt. 13-21, 27-29 (Feb. 26, 2025, letter from Sable to Director requesting FDP transfer); Dkt. 13-21, 24-26 (April 11, 2025, letter from Sable to Director requesting FDP transfer).	
22. At its April 16, 2025 meeting, the Board went into closed session to discuss Sable's threat of litigation regarding the Transfers. At the conclusion of the closed session, the Board noted that no reportable action was taken. *Evidence*: Dkt. 13-21, 39 (minutes from Board closed session on April 16, 2025).	Undisputed.
23. The County has since refused to process the Planning Commission's permit transfers approval or respond to Sable's letters, except to acknowledge receipt. *Evidence*: Dkt. 13-21, 27-29 (Feb. 26, 2025, letter from Sable to Director requesting FDP transfer); Dkt. 13-21, 24-26 (April 11, 2025, letter from Sable to Director requesting FDP transfer).	Undisputed that the County has not issued updated permits or provided a formal substantive response to Sable's letters.
ADDITIONAL FACTS SUPPORTING SUMMARY JUDGMENT ON SECOND AND ALTERNATIVE THIRD CAUSES OF ACTION	
I. Ministerial Duties to Deny Appeals Based on Chapter 25B Compliance	
24. County staff has repeatedly confirmed that the County's role in FDP transfers under Chapter 25B is limited to ensuring compliance with	Disputed. County staff has stated that the County's role in FDP transfers under

specific, enumerated requirements. *Evidence:* County Code § 25B-1; Dkt. 13-1, 25 (Staff Report); Dkt. 13-11, 813-826 (Board Letter); Dkt. 13-21, 60, 142, 153, 191 (Planning Commission Transcript); Dkt. 13-21, 235-236 (Board Hearing Transcript); Dkt 13-10, 228-234 (Staff Presentation I); Dkt 31-20, 11 (Staff Presentation II).	Chapter 25B is to determine whether applications are consistent with Chapter 25B and whether the findings for approval can be made. Dkt. 13-1, 27 (Staff Report).
25. County staff has repeatedly confirmed that Pipeline safety and restart are subject to the exclusive jurisdiction of state and federal authorities, not the County of Santa Barbara. For example, County staff stated that "[t]he County has no role or responsibility in overseeing or determining pipeline safety restart requirements." *Evidence*: Dkt. 13-21, 49, 52, 67, 70 (Planning Commission Transcript); Dkt. 13-11, 823 (Board Letter); Dkt. 13-21, 222, 229, 230 (Board Hearing Transcript); Dkt 13-10, 228 (Staff Presentation I); Dkt 31-20, 11 (Staff Presentation II).	Undisputed.
26. A settlement agreement, entered into on February 8, 1988, between the County of Santa Barbara and Celeron Pipeline Company, the predecessor of the current owner confirmed the County's lack of jurisdiction over pipeline	Undisputed.

restart. The settlement agreement explained that "[t]he County and Celeron agree that the jurisdiction of the County over an interstate pipeline is limited and partially preempted by the provisions of the federal Hazardous Liquids Pipeline Safety Act and 49 CFR Part 195." *Evidence*: Dkt. 13-14, 635 (Settlement Agreement between Celeron Pipeline Company of California and the County of Santa Barbara, Feb. 8, 1988); Dkt. 13-11, 823 (Board Letter).	
II. County's Historical Practice and County Staff Report Confirm Ministerial Nature of Chapter 25B.	
27. On September 21, 2023, the County Planning Commission approved a transfer of FDPs for owner, operator, and guarantor for the Las Flores Pipeline from Plains Pipeline L.P. to PPC (then owned by MPPC), ExxonMobil, and EMPCo, respectively pursuant to Chapter 25B. *Evidence*: Dkt. 13-14, 514-515 (September 21, 2023, Board Action letter).	Undisputed.
28. Interested parties appealed the Planning Commission's 2023 decision to grant the permits to the Board.	Undisputed.

Evidence: Dkt. 13-14, 514-515 (September 21, 2023, Board Action letter).	
29. On September 19, 2023, the Board denied the appeal and affirmed the Planning Commission's determination approving the requested change of owner, guarantor, and operator for the Pipeline. *Evidence*: Dkt. 13-14, 514-515 (September 21, 2023, Board Action letter).	Undisputed that on September 19, 2023, the Board denied the appeal. Disputed that the Board "affirmed the Planning Commission's determination approving the requested change of owner, guarantor, and operator for the Pipeline." The Board's actions were to "Make the required findings for approval" and "Grant *de novo* approval of the Change of Ownership, Change of Guarantor, and Change of Operator. . ." Dkt. 13-14, 514-515 (September 21, 2023, Board Action letter).
30. Appellants in the 2023 appeal argued that permit transfers were a project under CEQA; however, the Board determined that "the	Undisputed.

proposed action [transfer of Pipeline FDPs] is not subject to CEQA, as it does not constitute a 'project', as defined by CEQA Guidelines Section 15378(a)." Similarly, appellants in the 2023 appeal argued that prior owner was not in compliance with existing permit conditions, including with respect to cathodic protection, and that the FDP should be revised to impose conditions for purposes other than "to maintain existing insurance or financial guarantees." However, the Board found that the prior owner was "in compliance with all requirements of the FDP Permit." *Evidence*: Dkt. 13-14, 516, 518 (September 21, 2023, Board Action letter – Attachment A: Findings); Request for Judicial Notice, Exh. 1 (Hearing Transcript excerpt of the Santa Barbara County Board of Supervisors Hearing, September 19, 2023 Meeting), pp. 9-11, 13-14, 31; Dkt. 1-4, 123 (Board Agenda Letter for a Change of Owner, Operator, and Guarantor for the Las Flores Pipeline System, dated Sept. 19, 2023); see also Request for Judicial Notice, Exh. 2 (Agenda Letter), p. 85.	
31. At the September 19, 2023 hearing before the Board, Supervisor (now Chair) Laura Capps noted that the requested "change of ownership	Undisputed.

remain in full effect following the operator change." (County Code § 25B-10(a)(2)). *Evidence*: County Code § 25B-10(a)(2)	
46. County staff confirmed, based on the record reviewed, these requirements to update financial instruments and ensure the required instruments remained in place were met for the SYU change of owner, operator, and guarantor: • For SYU, pursuant to Chapter 25B section 9(a)(2), County staff issued findings analyzing the permit requirements and determined this finding had been met, as "[n]o current County-required bonds are in place for the SYU." County staff also confirmed Sable's ability to pay property taxes, noting that "Sable has $112.1 million dollars in cash and cash equivalents, is valued over $1.35 billion dollars, including debts and equities." Moreover, Sable's Certificate of Liability Insurance "demonstrates $401 million dollars in liability insurance for all of Sable's assets . . . to cover oil spills, seepage, and pollution, as well as general liability	Undisputed.

coverage, auto liability, and workers compensation coverage." • For SYU, pursuant to Chapter 25B section 9(e)(1), County staff found that found that Sable's application to change guarantor met this requirement, incorporating the finding for Chapter 25B section 9(a)(2) by reference. • For SYU, pursuant to Chapter 25B section 10(a)(2), County staff found that Sable's application to change operator met this requirement, incorporating the finding for Chapter 25B section 9(a)(2) by reference. *Evidence*: Dkt. 13-1, 27-31, 33-34, 38-44 (Staff Report); Dkt. 13-10, 230 (Staff Presentation I); Dkt. 13-21, 53, 59-60, 152-153, 184-185 (Planning Commission Transcript); Dkt. 13-10, 246-247 (Applicant Presentation I**);** Dkt. 13-1, 245-250 (SYU Application, March 14, 2024); Dkt. 13-1, 289-298 (First Response to Notice of Incompleteness, May 22, 2024); Dkt. 13-1, 165-166 (SYU Expansion Project Conditions of Approval - FDP Permit Condition No. XIX-1, Abandonment Procedures); Dkt. 13-1, 136-137 (SYU Expansion Project	

Conditions of Approval - FDP Permit Condition No. XI-2.w., Responsibility for Oil Spill Clean-Up and Restoration); Dkt. 13-9, 519-520 (Evidence of Property Insurance); Dkt. 13-9, 521-522 (Evidence of Liability Insurance); Dkt. 13-9, 523-525 (Certificates of Financial Responsibility [October 2024]).	
47. The Planning Commission confirmed these requirements to update financial instruments and ensure the required instruments remained in place were met for the SYU change of owner, operator, and guarantor: • For SYU, pursuant to Chapter 25B section 9(a)(2), the Planning Commission found that Sable's application to change owner met this requirement. The Planning Commission found that "[p]reviously required bonds and endowments under the FDP Permit have been satisfied and none remain outstanding. The FDP Permit Condition No. X[I]X-1 requires the permittee to be responsible for the proper abandonment of the facility, and that a performance bond be in place, or that the permittee continue to pay property	Undisputed.

taxes until abandonment is complete. As no bond is in place, the permittee will continue to pay property taxes until site restoration is complete." • For SYU, pursuant to Chapter 25B section 9(e)(1), the Planning Commission found that Sable's application to change guarantor met this requirement, incorporating the finding for Chapter 25B section 9(a)(2) by reference. • For SYU, the Planning Commission found that Sable's application to change operator met this requirement pursuant to Chapter 25B section 10(a)(2), incorporating the finding for Chapter 25B section 9(a)(2) by reference. *Evidence*: Dkt. 13-11, 30-33 (Planning Commission Findings); Dkt. 13-10, 256-258 (Planning Commission Minutes); Dkt. 13-21, 59-60, 151-152, 185-194 (Planning Commission Transcript); *see also* Dkt. 13-10, 246-247 (Applicant Presentation I); Dkt. 13-9, 530-31 (Applicant Written Submission I); evidence cited above at ¶ 46 supporting staff determination	

(First Response to Notice of Incompleteness, May 22, 2024); Dkt. 13-1, 192 (POPCO Expansion Project Conditions of Approval - FDP Permit Condition No. Q-2, Abandonment Procedures); Dkt. 13-10, 246-247 (Applicant Presentation I); Dkt. 13-9, 530-531 (Applicant Written Submission I)	
49. The Planning Commission confirmed these requirements to update financial instruments and ensure the required instruments remained in place were met for the POPCO Facilities change of operator and guarantor: • For the POPCO Facilities, pursuant to Chapter 25B section 9(e)(1), the Planning Commission found that Sable's application to change guarantor met this requirement. Specifically, the Planning Commission found that "[n]o bonds are in place for the POPCO Gas Plant." The Planning Commission also found that "FDP Permit Condition Q-2 requires the permittee to be responsible for the proper abandonment of the facility, and that a performance bond or other security device be in place immediately following the permanent shutdown of the facility. A	Undisputed.

performance bond, or other security device shall be posted by POPCO following permanent shut down of the facilities in accordance with an approved abandonment and restoration plan in effect at that time." • For the POPCO Facilities, pursuant to Chapter 25B section 10(a)(2), the Planning Commission found that Sable's application to change operator met this requirement, incorporating the finding for Chapter 25B section 9(e)(1) by reference. *Evidence*: Dkt. 13-11, 35-36 (Planning Commission Findings); Dkt. 13-10, 256-258 (Planning Commission Minutes); Dkt. 13-21, 152, 184-186, 189, 194 (Planning Commission Transcript); *see also* Dkt. 13-10, 246-247 (Applicant Presentation I); Dkt. 13-9, 530-31 (Applicant Written Submission I); evidence cited above at ¶ 48 supporting staff determination	
50. County staff confirmed, based on the record reviewed, these requirements to update financial instruments and ensure the required instruments remained in place were met for the Pipeline change of operator and guarantor:	Undisputed.

Findings); Dkt. 13-10, 256-258 (Planning Commission Minutes); Dkt. 13-21, 58, 61-62, 186-194 (Planning Commission Transcript); *see also* Dkt. 13-9, 531 (Applicant Written Submission I); evidence cited above at ¶ 64 supporting staff determination.	
66. County staff confirmed, based on the record reviewed, that this requirement of a facility safety audit was met for the Pipeline change of operator: • For the Pipeline, pursuant to Chapter 25B section 10(a)(4), County staff issued findings analyzing the permit requirements and determined this finding had been met and/or preempted by the County's settlement and federal law: • Specifically, County staff explained that "[d]ue to the 1988 Settlement Agreement between the County and Celeron/All American, there is no County-conducted audit available for the Las Flores Pipeline System. The Settlement Agreement determined that the County does not have the jurisdiction to regulate any aspect of the design, construction, or operation	Undisputed.

of the pipeline that is already covered under [federal law]." • The staff further determined that federal law "require[s] that pipeline operators implement both internal (operator-conducted) and external (agency-conducted) audits. Therefore, because PHMSA and now OSFM conduct audits of the pipeline system, it is not subject to County-conducted audits." • Staff also found that "PPC has satisfied the County's requirement to provide audit information to Sable." *Evidence*: Dkt. 13-1, 52-53 (Staff Report); Dkt. 13-10, 232 (Staff Presentation I); Dkt. 13-21, 56-58, 61-62 (Planning Commission Transcript); Dkt. 13-1, 274-288 (Pipeline Application, March 14, 2024); Dkt. 13-14, 635 (Settlement Agreement between Celeron Pipeline Company of California and the County of Santa Barbara, Feb. 8, 1988).	
67. The Planning Commission confirmed this requirement of a facility safety audit was met for the Pipeline change of operator: • For the Pipeline, pursuant to Chapter	Undisputed.

Findings); Dkt. 13-10, 256-258 (Planning Commission Minutes); Dkt. 13-21, 58, 163-164, 186-194 (Planning Commission Transcript); *see also* Dkt. 13-9, 532 (Applicant Written Submission I); evidence cited above at ¶ 81 supporting staff determination	
Transitional Plan (Chapter 25B § 10(a)(7) [operator])	
83. For a change in operator, Chapter 25B requires that "[t]he current owner or operator and proposed operator have submitted a transitional plan that will demonstrate the proposed operator shall receive adequate training, including by means of cross training by the current operator, where feasible, and shall have a good working knowledge of the crucial compliance plans listed in Sec. 25B-10.1.f before assuming control of operations. The plan has been approved by the director. The planning commission may exempt the current owner and proposed operator from this requirement, or portions thereof, for good cause." (County Code § 25B-10(a)(7)). *Evidence*: County Code § 25B-10(a)(7).	Undisputed.
84. County staff confirmed, based on the record reviewed, that this requirement of a transition plan was met for the SYU change of operator:	Undisputed.

• For SYU, pursuant to Chapter 25B section 10(a)(7), County staff, based on the record reviewed, including the comprehensive Transition Plan for the Las Flores Canyon Facilities that Sable submitted in July 2024, and determined this finding had been met. *Evidence*: Dkt. 13-1, 37 (Staff Report); Dkt. 13-10, 230 (Staff Presentation I); Dkt. 13-21, 54, 57-58 (Planning Commission Transcript); Dkt. 13-1, 245-250 (SYU Application, March 14, 2024); Dkt. 13-1, 299-311 (Second Response to Notice of Incompleteness, July 1, 2024); Dkt. 13-1, 312-349 (Third Response to Notice of Incompleteness, July 23, 2024).	
85. The Planning Commission confirmed this requirement of a transition plan was met for the SYU change of operator: • For SYU, pursuant to Chapter 25B section 10(a)(7), the Planning Commission found that "[t]he requirements of this finding are satisfied. Sable submitted a comprehensive Transition Plan describing the general strategy taken for the transition from ExxonMobil	Undisputed.

Corporation to Sable, a description of the facilities and general operating procedures, details on the staffing and support employees, and asset-specific training and general training conducted." *Evidence*: Dkt. 13-11, 34 (Planning Commission Findings); Dkt. 13-10, 256-258 (Planning Commission Minutes); Dkt. 13-21, 58, 159, 186-194 (Planning Commission Transcript); *see also* Dkt. 13-9, 532-33 (Applicant Written Submission I); evidence cited above at ¶ 84 supporting staff determination.	
86. County staff confirmed, based on the record reviewed, that this requirement of a transition plan was met for the POPCO Facility change of operator: • For the POPCO Facilities, pursuant to Chapter 25B section 10(a)(7), County staff found that Sable's application to change operator met this requirement, finding that "Sable submitted a comprehensive Transition Plan for the SYU and POPCO Gas Plant as part of their application materials." Staff referenced the findings for SYU under	Undisputed.

Chapter 25B section 10(a)(7). *Evidence*: Dkt. 13-1, 48 (Staff Report); Dkt. 13-10, 231 (Staff Presentation I); Dkt. 13-21, 54, 57-58 (Planning Commission Transcript); Dkt. 13-1, 259-273 (POPCO Application, March 14, 2024); Dkt. 13-1, 299-311 (Second Response to Notice of Incompleteness, July 1, 2024); Dkt. 13-1, 312-349 (Third Response to Notice of Incompleteness, July 23, 2024); Dkt. 13-1, 318-333 (SYU-POPCO Transition Plan).	
87. The Planning Commission confirmed this requirement of a transition plan was met for the POCP Facilities change of operator: • For the POPCO Facilities, pursuant to Chapter 25B section 10(a)(7), the Planning Commission found that Sable's application to change operator met this requirement, incorporating by reference the findings for SYU under Chapter 25B-10(a)(7) and explaining that "[t]he Transition Plan for the SYU also incorporates the POPCO Gas Plant." *Evidence*: Dkt. 13-11, 37 (Planning Commission Findings); Dkt. 13-10, 256-258 (Planning	Undisputed.

Commission Minutes); Dkt. 13-21, 58, 159, 186-194 (Planning Commission Transcript); *see also* Dkt. 13-9, 532-33 (Applicant Written Submission I); evidence cited above at ¶ 86 supporting staff determination.	
88. County staff confirmed, based on the record reviewed, that this requirement of a transition plan was met for the Pipeline change of operator: • For the Pipeline, pursuant to Chapter 25B section 10(a)(7), County staff found that Sable's application to change operator met this requirement, finding that "Sable submitted a comprehensive Transition Plan for the SYU and POPCO Gas Plant as part of their application materials." • Staff explained that the Plan "describes the background of the pipeline system, the general approach to the transition (PPC remains the legal Owner of the pipeline with Sable as Operator), details on staffing, and asset-specific training and general training conducted. The plan outlines that there are five full-time employees managing the pipeline operations in	Undisputed.

addition to contracted field personnel. Though the Operations Middle Management Team is new (e.g. not former Plains employees), each leadership role, including the Director of Pipeline Operations, the Marketing and Scheduling Manager, the Pipeline Operations Manager, and the Facilities, ROW & Projects Manager have extensive experience in upstream and midstream pipeline operations for both onshore and offshore pipelines with reputable companies such as Phillips 66. The average years' experience of the pipeline operating team is 23 years. These combined years of similar experience demonstrate the ability to continue operations with limited staffing and training disruptions, and with a qualified new team not previously responsible for operations when the 2015 Refugio Incident occurred." • Moreover, staff explained that the Plan "was reviewed and approved by [Planning and Development] as part of the application completeness	

determination process." *Evidence*: Dkt. 13-1, 55-56 (Staff Report); Dkt. 13-10, 233 (Staff Presentation I); Dkt. 13-21, 54, 57-58 (Planning Commission Transcript); Dkt. 13-1, 274-288 (Pipeline Application, March 14, 2024); Dkt. 13-1, 299-311 (Second Response to Notice of Incompleteness, July 1, 2024); Dkt. 13-1, 312-349 (Third Response to Notice of Incompleteness), July 23, 2024); Dkt. 13-1, 334-348 (Pipeline Transition Plan).	
89. The Planning Commission confirmed this requirement of a transition plan was met for the Pipeline change of operator: • For the Pipeline, pursuant to Chapter 25B section 10(a)(7), the Planning Commission found that Sable's application to change operator met this requirement, finding that "Sable submitted a comprehensive Transition Plan describing the background of the pipeline system, the general approach to the transition . . . details on staffing, and asset-specific training and general training conducted." *Evidence*: Dkt. 13-11, 41 (Planning Commission	Undisputed.

Findings); Dkt. 13-10, 256-258 (Planning Commission Minutes); Dkt. 13-21, 58, 159, 186-194 (Planning Commission Transcript); *see also* Dkt. 13-9, 532-33 (Applicant Written Submission I); evidence cited above at ¶ 88 supporting staff determination.	
Emergency Response Plan Drills (Chapter 25B § 10(a)(8) [operator])	
90. For a change in operator, Chapter 25B requires that "[t]he proposed operator has adequately performed one or more county approved emergency response plan drills necessary to respond to emergency episodes that may occur at the facility." (County Code § 25B-10(a)(8)). *Evidence*: County Code § 25B-10(a)(8).	Undisputed.
91. County staff confirmed, based on the record reviewed, that this requirement of emergency response plan drills was met for the SYU change of operator: • For SYU, pursuant to Chapter 25B section 10(a)(8), County staff issued findings and determined this finding had been met. Specifically, staff determined that in February 2024, Sable submitted "an updated Emergency Response Plan and staffing details for their Incident	Undisputed.

Violation issued on September 27, 2024, after the application completion date, meant that Sable was unable to comply with state permits and regulations. *Evidence*: Dkt. 13-10, 299-306 (CBD appeal); Dkt. 13-20, 30-42 (CBD Hearing Presentation); Dkt. 13-10, 307-312 (EDC appeal); Dkt. 13-20, 43-61 (EDC Hearing Presentation); *see also* Dkt. 13-9, 534-536 (Applicant Written Submission I)	
105. The Board's letter and staff presentation provided an analysis and rejection of each of appellants' arguments, finding none of the points raised in the appeals altered their recommendation or impacted Sable's established compliance with Chapter 25B's requirements. Specifically, staff found: a) With respect to COFRs, Chapter 25B is "limited to ensuring facility fees are paid, and insurance, bonds, and financial guarantees reflect [the] new permittee" and that these findings were met through Sable's submittal of the SYU COFR; that the SYU was required to have a	Undisputed.

COFR, that OSPR had confirmed the COFR was proper, and that the County "cannot require financial documents where not already required." b) With respect to oil spill contingency plans, all compliance plans required by Chapter 25B had been submitted and Chapter 25B does not require plans approved by non-County regulators to be submitted (noting applicable contingency plans required by state and federal law were under review by OSPR, a state agency, and Sable is required to follow the most current version of the plans in the event of an oil spill). Staff confirmed that County safety oversight is confined to annual audits and monthly reviews of the onshore Facilities (SYU and POPCO), enforcement of the FDP conditions, and oversight by the "County Fire Department, Environmental Health, and Air Pollution Control district."	

c) With respect to bonds, the Chapter 25B procedure only required updating contact information on bonds, "[d]ecommissioning bonds were not required to be posted as part of the original project approvals, and no decommissioning bonds have been required to date." However, while not required by the FDPs, Sable in fact would post a decommissioning bond with ExxonMobil. d) With respect to environmental review, because "[n]o physical changes to the facilities, or modifications to facility operations would occur under" the FDP transfer process, and because "[r]estart of the facilities is not a part of the Chapter 25B Permit Amendment process," the County's action to transfer the permits is exempt from CEQA under the CEQA Guidelines section 15378(b)(5) exemption for administrative activities of governments that do not result in	

physical changes to the environment. e) With respect to restart, staff noted that in making this argument appellants relied on spill data from an incomplete draft EIR/EIS for a different project, that Sable is required by state and federal agencies to meet all safety conditions prior to restart, and the "County has no authority to oversee [such] state and federal safety and restart requirements." that is outside the County's jurisdiction. f) With respect to general resources and insurance, of the three FDPs, only the SYU required specific financial responsibility documents, and Sable had met those requirements; further noting that Sable "has cash balance of ~$363M, remaining startup costs of $125M [and] [m]argins will increase from production sales," and there was no basis to find Sable lacked resources, skill, or training	

to safely operate the Facilities. g) With respect to alleged non-compliance with FDP Condition A-7 in relation to cathodic protection, the Condition had no such requirement "related to cathodic protection" and that the Pipeline Facility met all actual requirements of A-7. h) With respect to the Coastal Commission issues, staff explained that Chapter 25B finding which requires "no record of *systemic* non-compliance or unsafe operations related to *major incidents* for similar facilities." Staff confirmed that "Chapter 25B does not require that the permittee be in compliance with non-County permits and regulations to approve the permit transfers." It further explained that the activities cited in the state agency letters citing unpermitted development "did not reflect systemically unsafe operations related to major incidents" And were "[o]utside of	

of Supervisors, 49 Cal. 3d 432, 442 (1989) ("Mandamus will not lie to control an exercise of discretion, i.e., to compel an official to exercise discretion in a particular manner.").

III. Finding on Third Cause of Action – Writ of Mandate for Violation of County Code Chapter 25B (Cal. Code Civ. Proc. § 1094.5)

4. The Board must reconsider the appeals and decide whether to affirm, deny, or modify the decision of the Planning Commission and to set forth findings "sufficient both to enable the parties to determine whether and on what basis they should seek review and, in the event of review, to apprise a reviewing court of the basis for the board's action." *Topanga Assn. for a Scenic Cmty. v. Cnty. of Los Angeles*, 11 Cal. 3d 506, 514 (1974); *see also Mountain Def. League v. Bd. of Supervisors*, 65 Cal. App. 3d 723, 732 (1977).

Dated: August 1, 2025

Respectfully submitted,
RACHEL VAN MULLEM
SANTA BARBARA COUNTY COUNSEL

By: /s/*Callie Patton Kim*
Callie Patton Kim
ckim@countyofsb.org
Attorneys for Respondents and Defendants, COUNTY OF SANTA BARBARA and SANTA BARBARA COUNTY BOARD OF SUPERVISORS

EXHIBIT 6

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): **November 26, 2025**

Sable Offshore Corp.

(Exact name of registrant as specified in its charter)

Delaware	**001-40111**	**85-3514078**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification Number)
845 Texas Avenue, Suite 2920 **Houston, TX**		**77002**
(Address of principal executive offices)		(Zip code)

(713) 579-6161
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value $0.0001	SOC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule12b-2 of the Securities Exchange Act.of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure.

On November 26, 2025, Sable Offshore Corp. (the "***Company***") notified the Pipeline and Hazardous Materials Safety Administration ("***PHMSA***") of its determination that the Company's pipeline connecting the Santa Ynez Unit to the Pentland Station terminal in Kern County, CA constitutes an interstate pipeline facility under the Pipeline Safety Act. The Company requested PHMSA concurrence with the Company's determination, as well as guidance on the orderly transition of regulatory oversight from the California Office of the State Fire Marshal to PHMSA.

The Company continues to pursue an offshore storage and treating vessel strategy to provide access to domestic and global markets via shuttle tankers for federal crude oil produced from the Santa Ynez Unit. Concurrently, the Company continues to work diligently to safely and responsibly resume petroleum transportation through its onshore pipeline facilities as part of its publicized dual option offtake strategy.

The information furnished pursuant to this Item 7.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description of Exhibits
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Sable Offshore Corp.

Date: December 1, 2025

By: /s/ Gregory D. Patrinely

Name: Gregory D. Patrinely

Title: Executive Vice President and Chief Financial Officer

EXHIBIT 7

Planning and Development
Lisa Plowman, Director
Jeff Wilson, Assistant Director
Elise Dale, Assistant Director

February 12, 2025

Mr. Steve Rusch
Sable Offshore Corporation/Pacific Pipeline Corporation
12000 Calle Real
Goleta, CA 93117

Sent via email: srusch@sableoffshore.com

SUBJECT: Zoning Clearance Applications - 24ZCI-00090, 24ZCI-00091, 24ZCI-00095, and 24ZCI-00096

Mr. Rusch,

On November 22, 2024 and December 6, 2024, Santa Barbara County Planning and Development received four Zoning Clearance applications for pipeline "anomaly repair work" to Lines 324 and 325a. These applications stated that they sought to permit anomaly repair work in the enclosed descriptions of work for case numbers 24ZCI-00090, 24ZCI-00091, 24ZCI-00095, and 24ZCI-00096. Sable's position is that the Zoning Clearance process meets the requirements of the County's Local Coastal Program because it is a means for the County to determine if the activities fall within an existing Coastal Development Permit or if a new Coastal Development Permit is required.

The County conducted a detailed review of pipeline permitting history and the Coastal Zoning Ordinance. Planning and Development concludes that this pipeline anomaly repair work is authorized by the existing permits (Final Development Plan, Major Conditional Use Permit, and associated Coastal Development Permits) and was analyzed in the prior Environmental Impact Report/Environmental Impact Statement (EIR/EIS). The County previously exercised its authority under its Local Coastal Program and delegated Coastal Act authority in approving the permits and the requested anomaly repair work is within the scope of those approved permits. (Pub. Resources Code § 30519.) The County's assessment is consistent with the type of reviews conducted by the County, both inside and outside the Coastal Zone, on a regular basis to determine whether proposed development activities fall within the scope of existing permits. Planning and Development will be returning the Zoning Clearance applications to Sable without taking action on them. Alternatively, Sable can choose to withdraw the applications.

This conclusion is related to the requested pipeline anomaly repair work in case numbers 24ZCI-00090, 24ZCI-00091, 24ZCI-00095, and 24ZCI-00096 and the information supplied with those applications and does not speak to permitting or jurisdiction on any other past or future work on or changes to the Pipeline and associated equipment.

This is not a: 1) permit exemption; 2) Director determination on the meaning or applicability of the provisions of the Coastal Zoning Ordinance; 3) decision on an application for a Coastal Development Permit; or 4) any other ground set forth in Article II Section 35-182. Rather, this letter confirms that the requested anomaly repair work was contemplated, analyzed, and approved in the existing Final Development Plan, Major Conditional Use Permit, associated Coastal Development Permits and certified EIR/EIS. Thus, no further application to or action by the County is required. This conclusion is not appealable to the Planning Commission, Board of Supervisors, or Coastal Commission and it does not require a Notice of Final Action. (Article II §§ 35-182; 35-181.4.)

Planning and Development encourages and requests that Sable continue to provide information to the County about any future anomaly repair work consistent with what was supplied in the above-referenced application. Such information will allow the County to evaluate whether particular anomaly repair work results in any different conclusions than those set forth in this letter. That information can be directed to my attention.

Sincerely,

Errin Briggs
Deputy Director, Energy, Minerals, Compliance & Cannabis Division

Enclosures: 24ZCI-00090 Description of Work
24ZCI-00091 Description of Work
24ZCI-00095 Description of Work
24ZCI-00096 Description of Work

CC: Mickey Johnson, ExxonMobil Upstream Company, via email
mickey.d.johnson@exxonmobil.com

24ZCI-00090 + 91

Zoning Clearance Applications for CA-324 Pipeline Routine Anomaly Repair Work – Description of Work

Scope of Work

In order to repair an anomaly, Sable must undertake the following steps: (1) excavate the site where an anomaly was detected, including the dirt beneath the affected pipeline segment, (2) expose the pipeline segment by removing insulation and sandblasting, (3) evaluate whether a "Composite Repair"[1] or "Cut-Out Repair"[2] is required, (4) conduct the Composite or Cut-Out Repair as appropriate, sandblast the repaired pipeline segment, and apply an epoxy coating, pipe tape, and rockguard wrap, (5) backfill the anomaly site, and (6) conduct final site cleanup, including revegetation activities (collectively, the "Anomaly Repair Work").

Sable previously commenced the Anomaly Repair Work in compliance with Sable's obligation under federal regulations to take "prompt action" to address pipeline anomalies. (See 49 C.F.R., § 195.452, subd. (h)(1).) On September 27, 2024, the California Coastal Commission issued Sable Notice of Violation V-9-24-0152 ("NOV") and required Sable to immediately stop all Anomaly Repair Work. In accordance with the NOV, Sable stopped undertaking the Anomaly Repair Work. On November 12, 2024, Commission staff issued Executive Director Cease and Desist Order No. ED-24-CD-02 ("EDCDO"), which required Sable to submit an Interim Restoration Plan to secure and backfill the open anomaly sites without completing the Anomaly Repair Work. Commission staff approved Sable's proposed Interim Restoration Plan on November 20, 2024 with respect to the remedial grading and BMP segment of the Interim Restoration Plan. As of November 21, 2024, Sable and Commission staff were continuing to coordinate regarding the hydroseeding segment of the plan. Consistent with the Interim Restoration Plan, each anomaly site will be backfilled and restored to original grade without completing the Anomaly Repair Work.

As such, Sable's Zoning Clearance applications seek *both*:

1. After-the-fact Zoning Clearances for the Anomaly Repair Work previously undertaken at each anomaly site identified in the applications; and
2. Zoning Clearances to complete the Anomaly Repair Work at each such anomaly site in the future (including by excavating the anomaly site again after it is backfilled and restored in compliance with the EDCDO and Interim Restoration Plan).

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[1] A "Composite Repair" involves wrapping the exposed pipeline segment in a composite material and allowing the material to cure.

[2] A "Cut-Out Repair" involves cutting out and replacing the affected pipeline segment, welding the replaced pipeline segment in place, and X-raying the replaced pipeline segment to confirm successful replacement.

Location

45 anomaly sites require Anomaly Repair Work. As discussed above, these sites are located along existing pipeline CA-324 in APNs 081-140-019, 081-140-025, 081-150-002, 081-150-006, 081-150-007, 081-150-028, 081-150-032, 081-150-033, and 081-230-021. Table 1 details each anomaly site. Attachments C.1 and C.2 include overview and concentrated mapping depicting these sites.

Table 1. Anomaly Sites

Legend	
	Application #1
	Application #2

No.	Anomaly Number	Latitude	Longitude	APN	Application No.	Within 50 feet of ESHA?
1	0324-2022-0009495.75	34.464907	-120.052393	081-230-021	2	Yes
2	0324-2022-0028065.19	34.46834	-120.106234	081-150-007	1	No
3	0324-2022-0029534.66	34.469233	-120.110945	081-150-006	1	No
4	0324-2022-0029566.37	34.469275	-120.111038	081-150-006	1	No
5	0324-2022-0029824.49	34.469643	-120.111754	081-150-006	1	No
6	0324-2022-0030390.55	34.470461	-120.113328	081-150-006	1	No
7	0324-2022-0032500.09	34.473362	-120.119116	081-150-032	2	Yes
8	0324-2022-0033065.98	34.47309	-120.120851	081-150-032	1	No
9	0324-2022-0033494.92	34.473089	-120.12227	081-150-032	1	No
10	0324-2022-0033565.52	34.47309	-120.122504	081-150-032	1	No
11	0324-2022-0033621.39	34.47309	-120.122688	081-150-032	1	No
12	0324-2022-0033655.nn	34.473093	-120.123312	081-150-032	1	No
13	0324-2022-0033810.34	34.473093	-120.123312	081-150-032	1	No
14	0324-2022-0033814.99	34.473093	-120.123312	081-150-032	1	No
15	0324-2022-0033996.77	34.473106	-120.123926	081-150-033	1	No
16	0324-2022-0034153.09	34.473117	-120.124443	081-150-033	1	No
17	0324-2022-0034200.49	34.473121	-120.1246	081-150-033	1	No
18	0324-2022-0034234.83	34.473123	-120.124714	081-150-033	1	No
19	0324-2022-0039593.1	34.47553	-120.141705	081-150-002	2	Yes
20	0324-2022-0039919.56	34.475268	-120.142599	081-150-002	1	No
20.a	0324-2022-0041106.12	34.474858	-120.146417	081-150-028	1	No
21	0324-2022-0041678.93	34.474773	-120.148304	081-150-028	1	No
22	0324-2022-0041882.67	34.474769	-120.148975	081-150-028	1	No
23	0324-2022-0041886.92	34.474769	-120.148988	081-150-028	1	No
24	0324-2022-0041944.74	34.474769	-120.149179	081-150-028	1	No
25	0324-2022-0044830.73	34.473801	-120.158366	081-140-019	1	No
26	0324-2022-0044891.12	34.47377	-120.158562	081-140-019	1	No
27	0324-2022-0044951.nn	34.47377	-120.158562	081-140-019	1	No
28	0324-2022-0045197.92	34.47364	-120.159561	081-140-019	1	No

No.	Anomaly Number	Latitude	Longitude	APN	Application No.	Within 50 feet of ESHA?
29	0324-2022-0045321.21	34.473718	-120.159957	081-140-019	1	No
30	0324-2022-0046170.44	34.473334	-120.162532	081-140-025	1	No
31	0324-2022-0046208.31	34.473283	-120.162712	081-140-025	1	No
32	0324-2022-0046309.64	34.473135	-120.162993	081-140-025	1	No
33	0324-2022-0046332.77	34.473102	-120.163058	081-140-025	1	No
34	0324-2022-0046364.44	34.473057	-120.163146	081-140-025	1	No
35	0324-2022-0046378.46	34.473037	-120.163186	081-140-025	1	No
36	0324-2022-0046411.08	34.473005	-120.163285	081-140-025	1	No
37	0324-2022-0046472.47	34.472983	-120.163491	081-140-025	1	No
38	0324-2022-0046550.76	34.472965	-120.163748	081-140-025	1	No
39	0324-2022-0046848.73	34.472896	-120.164729	081-140-025	1	No
40	0324-2022-0046966.28	34.47287	-120.165099	081-140-025	1	No
41	0324-2022-0047470.3	34.472916	-120.166717	081-140-025	1	No
42	0324-2022-0047502.6	34.472924	-120.166815	081-140-025	1	No
43	0324-2022-0047508.88	34.472931	-120.166893	081-140-025	1	No
44	0324-2022-0047542.11	34.472935	-120.166941	081-140-025	1	No

The proposed work would utilize the existing roads to access each site. No new roads will be constructed.

Construction & Equipment

Excavation depth would vary for each anomaly site based on unique factors, including the number of immediately proximate anomalies and site-specific requirements. All material will be balanced onsite, and no material will be imported or exported. Shoring boards will be utilized to stabilize the excavation walls prior to entry. Equipment needed to complete the Anomaly Repair Work includes the following:

- Excavator(s)
- Light and heavy-duty work trucks
- Air compressor(s)
- Welding machine(s)
- Bulldozer(s)
- Front loader(s) with back drag
- Backhoe
- Reachlift
- Water buffalo
- Water trucks

Fire Protection

If welding is required, Sable will provide a mowed work area within a minimum of 50 feet around the welding activities and maintain a fire watch at the location with 500 gallons of

water onsite, in addition to the fire extinguisher requirements of the Office of the State Fire Marshal (OSFM) and the Santa Barbara County Fire Department (SBCFD).

Construction Best Management Practices

In addition to the Construction Best Management Practices (BMPs) identified in Attachments D.1 and D.2, the following BMPs will be implemented to ensure potential effects on various environmental resources are avoided:

- Define limits of disturbance including the length/width of dig excavation trench, trench soil stockpile, equipment, staging, access, vehicle parking.
- Before construction activities commence, conduct pre-construction a biological resources survey to confirm the expected limits of work and minimal impact, or ensure that a biologist is onsite the first day of construction to monitor excavation to salvage and release any wildlife encountered.
- Before construction activities commence, conduct an environmental awareness training for all onsite personnel to discuss BMPs and other potential biological resources issues. While not expected in any of the dig sites, awareness of potential occurrence of special-status species should be discussed.
- All oak tree impacts are to be avoided including no vehicles, equipment, or stockpile within the drip line of any oaks.
- Stockpiles should be in uplands and avoid any stockpile, materials storage, vehicles, equipment, etc. in any drainage features or riparian habitat.
- Topsoil (the first 6" to 12" inches) removed for the excavation should be stockpiled separately for use in restoring original contours and grade, and to promote rapid plant growth restoration.
- The open trench should be safely fenced (hog wire, orange construction fence, or similar) at the end of each workday to exclude wildlife entrapment.

Conclusion

Sable is committed to designing, constructing, operating and maintaining Line CA-324 and CA-325 in a safe and reliable manner, and to meeting or exceeding applicable federal, state, and local regulatory standards.

24ZCL-00095 & 96

Zoning Clearance Applications for CA-324 and CA-325A Pipeline Routine Anomaly Repair Work – Description of Work

Scope of Work

In order to repair an anomaly, Sable must undertake the following steps: (1) excavate the site where an anomaly was detected, including the dirt beneath the affected pipeline segment, (2) expose the pipeline segment by removing insulation and sandblasting, (3) evaluate whether a "Composite Repair"[1] or "Cut-Out Repair"[2] is required, (4) conduct the Composite or Cut-Out Repair as appropriate, sandblast the repaired pipeline segment, and apply an epoxy coating, pipe tape, and rockguard wrap, (5) backfill the anomaly site, and (6) conduct final site cleanup, including revegetation activities (collectively, the "Anomaly Repair Work").

Location

28 anomaly sites require Anomaly Repair Work. As discussed above, these sites are located along existing pipeline CA-324 and CA-325A in APNs 081-130-068, 081-140-023, 081-150-002, 081-150-028, 081-150-032, 081-270-011, 083-590-003, 083-650-008, 083-650-009, and 083-650-011. Table 1 details each anomaly site. Attachments C.1 and C.2 include overview and concentrated mapping depicting these sites.

Table 1. Anomaly Sites

Legend	
	Application #1
	Application #2

No.	Anomaly Number	Latitude	Longitude	APN	Application No.	Within 50 feet of ESHA?
F-1	0324-2022-0039763.37	34.475459	-120.14209	081-150-002	1	No
F-2	0324-2022-00039813.1	34.475366	-120.142337	081-150-002	1	No
F-3	0324-2022-0040844.81	34.474904	-120.145592	081-150-028	2	Potentially
F-4	0324-2022-0031629.86	34.472196	-120.116839	081-150-032	1	No
F-5	0324-2022-0031641.76	34.472196	-120.116839	081-150-032	1	No
F-6	0324-2022-0031710.31	34.472207	-120.117064	081-150-032	1	No

[1] A "Composite Repair" involves wrapping the exposed pipeline segment in a composite material and allowing the material to cure.

[2] A "Cut-Out Repair" involves cutting out and replacing the affected pipeline segment, welding the replaced pipeline segment in place, and X-raying the replaced pipeline segment to confirm successful replacement.

No.	Anomaly Number	Latitude	Longitude	APN	Application No.	Within 50 feet of ESHA?
F-7	0324-2022-0050408.79	34.473675	-120.176187	081-140-023	2	Potentially
F-8	0324-2022-0050421.48	34.473672	-120.176229	081-140-023	2	Potentially
F-9	0324-2022-0051757.7 / 0324-2022-0051781.24[3]	34.473331	-120.180629	081-140-023	2	Potentially
F-10	0324-2022-0056868.13	34.475761	-120.196403	081-130-068	2	Potentially
F-11	325A-2023-0010334.69	34.479002	-120.225849	081-270-011	1	No
F-12	325A-2023-0010879.52	34.478830	-120.227566	081-270-011	1	No
F-13	325A-2023-0010974.56	34.478879	-120.227858	081-270-011	1	No
F-14	325A-2023-0011203.75	34.479152	-120.228505	081-270-011	1	No
F-15	325A-2023-0011558.76	34.480095	-120.228780	081-270-011	1	No
F-16	325A-2023-0012084.97	34.481247	-120.229442	081-270-011	1	No
F-17	325A-2023-0013534.48	34.478472	-120.232424	083-650-011	2	Potentially
F-18	325A-2023-0016929.57	34.477695	-120.241564	083-650-011	1	No
F-19	325A-2023-0022057.18	34.487453	-120.240861	083-650-008	1	No
F-20	325A-2023-0022103.07	34.487568	-120.240897	083-650-008	1	No
F-21	325A-2023-0022703.65	34.488999	-120.241762	083-650-008	1	No
F-22	325A-2023-0022762.08	34.489104	-120.241909	083-650-008	1	No
F-23	325A-2023-0023122.77	34.489766	-120.242792	083-650-008	1	No
F-24	325A-2023-0024519.31	34.493156	-120.243801	083-650-009	1	No
F-25	325A-2023-0020090.71	34.483923	-120.244169	083-650-009	1	No
F-26	325A-2023-0020309.43	34.484404	-120.244033	083-650-009	1	No
F-27	325A-2023-0021547.53	34.486258	-120.240993	083-650-008	1	No
F-28	325A-2023.00027215.8	34.499924	-120.243416	083-590-003	1	No

The proposed work would utilize the existing roads to access each site. No new roads will be constructed.

Construction & Equipment

Excavation depth would vary for each anomaly site based on unique factors, including the number of immediately proximate anomalies and site-specific requirements. All material will be balanced onsite, and no material will be imported or exported. Shoring boards will be utilized to stabilize the excavation walls prior to entry. Equipment needed to complete the Anomaly Repair Work includes the following:

- Excavator(s)
- Light and heavy-duty work trucks
- Air compressor(s)
- Welding machine(s)
- Bulldozer(s)

[3] F-9 is associated with two anomaly numbers from separate investigatory tool runs but is associated with one anomaly.

- Front loader(s) with back drag
- Backhoe
- Reachlift
- Water buffalo
- Water trucks

Fire Protection

If welding is required, Sable will provide a mowed work area within a minimum of 50 feet around the welding activities and maintain a fire watch at the location with 500 gallons of water onsite, in addition to the fire extinguisher requirements of the Office of the State Fire Marshal (OSFM) and the Santa Barbara County Fire Department (SBCFD).

Construction Best Management Practices

In addition to the Construction Best Management Practices (BMPs) identified in Attachments D.1 and D.2, the following BMPs will be implemented to ensure potential effects on various environmental resources are avoided:

- Define limits of disturbance including the length/width of dig excavation trench, trench soil stockpile, equipment, staging, access, vehicle parking.
- Before construction activities commence, conduct pre-construction a biological resources survey to confirm the expected limits of work and minimal impact, or ensure that a biologist is onsite the first day of construction to monitor excavation to salvage and release any wildlife encountered.
- Before construction activities commence, conduct an environmental awareness training for all onsite personnel to discuss BMPs and other potential biological resources issues. While not expected in any of the dig sites, awareness of potential occurrence of special-status species should be discussed.
- All oak tree impacts are to be avoided including no vehicles, equipment, or stockpile within the drip line of any oaks.
- Stockpiles should be in uplands and avoid any stockpile, materials storage, vehicles, equipment, etc. in any drainage features or riparian habitat.
- Topsoil (the first 6" to 12" inches) removed for the excavation should be stockpiled separately for use in restoring original contours and grade, and to promote rapid plant growth restoration.
- The open trench should be safely fenced (hog wire, orange construction fence, or similar) at the end of each workday to exclude wildlife entrapment.

Conclusion

Sable is committed to designing, constructing, operating and maintaining Line CA-324 and CA-325A in a safe and reliable manner, and to meeting or exceeding applicable federal, state, and local regulatory standards.

EXHIBIT 8

[00:05:00]

[00:10:00]

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CHAIR CAPS: Oh, good job, everybody. Nice to see everyone here. My name is Laura Caps, and it's my pleasure to call to order the February 25th 2025 meeting of the Santa Barbara County Board of Supervisors hearing. Madam Clerk, please call the role.

CLERK: Supervisor Lee.

MR. LEE: Here.

CLERK: Supervisor Hartman.

MS. HARTMAN: Here.

CLERK: Supervisor Nelson?

CLERK: And Supervisor Nelson's participating remotely from DC.

MR. NELSON: Here.

CHAIR CAPS: Oh, there you are. Great, thank you, and Supervisor [PH 00:29:24] Lavanino.

MR. LAVAGNINO: Here.

CLERK: And Chair Caps?

CHAIR CAPS: Here.

CLERK: At this time, please, join me in Pledge of Allegiance. Ready to begin.

ALL: I pledge allegiance to the Flag of the United States of America and to Republic for which it stands, One Nation, under God, Indivisible, with Liberty and Justice for All.

CHAIR CAPS: Okay, the next item in business is the approval of the minutes from our last hearing, which was February 11th

[00:30:00]

2025.

MS. HARTMAN: Move approval.

CHAIR CAPS: Thanks, Supervisor Hartman.

MR. LEE: Second.

CHAIR CAPS: Thank you, Supervisor Lee. Madam Clerk, roll call vote please. When you're ready.

CLERK: Supervisor Lee?

MR. LEE: Aye.

CLERK: Supervisor Hartman.

MS. HARTMAN: Aye.

CLERK: Supervisor Nelson?

MS. HARTMAN: Aye.

CLERK: Supervisor Lavanino?

MR. LAVAGNINO: Aye.

CLERK: And Chair Caps?

CHAIR CAPS: Aye.

CLERK: Motion passes unanimously.

CHAIR CAPS: Okay. Next item is our CEO's report. CEO [PH 00:30:27] Miasato?

CEO MIYASATO: Good morning, Chair Caps and board members. We have two quick announcements this morning. One is the county's office of emergency management has launched a new AM radio network to bring disaster preparedness and emergency information to our residents. The stations are spread across the central and northern parts of Santa Barbara County and the communities of the San [PH 00:30:45] Nunez Valley through Lompoc and up through Santa Maria. All stations will broadcast critical preparedness and disaster response messaging 24/7 on AM 5:30 in English and Spanish. More stations will be launched in the coming months in the Cuyama Valley and the southern part of the county. Now's the time to save AM 5:30 to your radio favorites list, so you can get an update on emergency information straight from your public safety officials. The second item is some exciting news regarding Goleta Beach. The Elwood restaurant at Goleta Beach officially opened just before Valentine's Day after undergoing a complete renovation. In addition to the restaurant, the county has invested $2 million in public improvements. These include repairs to parking lots damaged during the 2023 and 2024 storms, irrigation and lawn replacement upgrades to a popular group area, barbecues, and installation of a new pedestrian walkway, funded by a $500,000 National Fish and Wildlife Foundation grant. So, please, everyone, please, go to Goleta Beach and enjoy the restaurant. That concludes my announcements today.

CHAIR CAPS: Thank you, CEO Miasato. Madam Clerk, do you have any announcements for us with the agenda?

great Donald Trump as President, and he is the greatest President we have ever seen, we're going to see that also in our county. We are part of the country. We're not our own little

[00:55:00]

planet out in the middle of the ocean. We are part of the United States. Thank you.

CLERK: And has any of the members of the public whose names I had announced earlier make their way here? Jacqueline Inda, Stephanie Caterers, Hailey Rowan, Ruth Hyler, are any of those members of the public here? I will assume they have… oh.

HAILEY ROWAN: This is Hailey Rowan, and I'd like to speak on the Sable topic as well. Thank you.

CLERK: Thank you. All righty, with that, Chair Caps and members of the board, I believe we can safely assume those members of the public have left or will be speaking at a later time.

CHAIR CAPS: Thank you to our public, and it's confusing to know exactly when is the right time to speak. So, we got through that. So, anyway, now, that moves us to item number one, Sable Offshore Corporation Appeals. Madam Clerk, will you please read departmental item into the record and… Supervisor Hartman?

MS. HARTMAN: Yeah, before she does that, I must recuse the pipeline runs through the northeast corner of my property. So, I am affected differently than the general members of the public and can't influence my fellow board members.

CHAIR CAPS: Yeah. I understand, thanks.

CLERK: I'm waiting on something. Chair Caps and members of the board, departmental item number one is from the Planning and Development Department. It is a hearing to consider recommendations regarding the appeals of the planning commission approval of the Sable Offshore Corporation's change of owner operator and guarantor for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant and Los Flores Pipeline System, final development plan permits, and this is in the third, fourth, and fifth districts, and I am waiting for a document from my staff on late items that need to be voted into the record. We had quite a few emails come in late last night. So, they are finalizing that. So, perhaps we can begin staff's presentation, and then vote items into the record.

CHAIR CAPS: Or ex parte?

CLERK: Or ex parte. Great, thank you.

CHAIR CAPS: Yeah, let's… would you like? Okay, at this moment, because this is a quasi-judicial hearing, that means myself and my colleagues need to disclose ex parte conversations that we've had leading up until this department item. Supervisor Lee, would you like to go first?

MR. LEE: Thank you, Chair Caps, I'll go first. On January 28th, 2025, I met with the EDC to discuss Sable. On February 6th, 2025, I also met with EDC to discuss Sable as well. On February 12th, I met with Sable representatives to talk about the oil pipeline. On February 20th, I met with Sierra Club to talk about Sable, and on February 20th,

2025, I met their environmental coalition, and I listened to their Zoom, and on February 2024, 2025, met with UCSB students to listen and discuss about Sable Oil Pipeline.

CHAIR CAPS: Thank you, Supervisor Lavanino. O or do you need more time? I can…

MR. LAVAGNINO: I'm good.

CHAIR CAPS: Okay.

MR. LAVAGNINO: My list is short. So, on February 3rd, I met with Linda Crop and the team from EDC via Teams. I'm not sure of all the people that were listed on there, but the usual suspects, and then on February 12th, and I meant that in the best way possible. Sorry, I just didn't know everybody's name. February 12th, I did meet with the Sable team, and both obviously discussed both of their points about today's hearings.

CHAIR CAPS: Thank you, and Supervisor Nelson, if you're ready?

MR. NELSON: Yes. Thank you, Chair Caps. On February 12th, I met with Linda Prop, Katie Davis, Jeremy Frankel, and a few others that EDC invited to discuss the project as well as I also met in person with Steve Rush, Lee Danielson, and James Flores on February 12th in Santa Barbara

[01:00:00]

to discuss the project.

CHAIR CAPS: Okay, thanks, and I'll do my ex parte disclosures. Yesterday, I met with representatives of Sable. I also met yesterday with members of the UCSB Santa Barbara City College Associated Students

Environmental Affairs Board, as well as CALPER. I have had many meetings over the last few months with EDC related to Sable, as we meet regularly. I've spoken with Katie Davis from the Sierra Club, who was part of one of those meetings, as well as folks affiliated with the Community Environmental Council, including John Steed and Sigrid Wright, and Vicki Riskin related to Blue.living. I think that should cover it. Okay. Yeah, he… Supervisor Nelson is… So, I believe we're ready for staff presentation.

CLERK: And Chair Caps, members of the board, before we proceed with staff's presentation, I did receive the list of documents that were received after noon on Friday, February 21st, and as per board's policy resolution 91-333, these items need to be voted into the record prior to being accepted into the record. I'll begin with a public comment from Evie Lynn, received February 21st at 5:18, public comment from John Day, February 23rd, at 12:21, public comment from Janice Rootstem, February 24th at 8:55, public comment from Karen Dorfman, February 24th, 9:51 Public comment from Rachel Rhodes, February 24th at 1152. Public comment from Lauren French, February 24th, 12:27, public comment, support letters from Fiona Hutton and Associates on behalf of Sable, the applicant, February 24th, 1:16, public comment from Heal the Ocean, February 24th, public comment, City of Bealeton, February 24th, public comment from Linda Stewart Oaten, February 24th, public comment from Laura Hasten, February 24th, public comment, Katie Dodds, Dobbs, my apologies, February 24th, public comment from David Huron, February

24th, and lastly, a presentation replacement number one from the applicant, Sable, received February 24th at 12:01.

CHAIR CAPS: Okay. So, that means we need to vote on whether or not to accept materials that were provided after our deadline. I'm personally not a fan of things coming in so late that are large quantities. Anything under a page doesn't require a vote, but I believe that is a roll call vote that we need to take. Is that right, county council?

COUNTY COUNSEL: Madam chair, yes, that's correct, and so, since one of those is… well, we'll talk about it after the vote.

CHAIR CAPS: Yes.

MR. LAVAGNINO: I'll make a motion to bring all those into the public record.

CHAIR CAPS: Thanks, Supervisor Lavanino. I need a second. Supervisor Nelson, would you like to second?

MR. NELSON: You know, I'm thinking about it. Traditionally, we always do. So, this would be an unusual circumstance for us not to. I, like you, are not a fan of the process. There's no way for us to be able to fully be able to vet that information, and yet, it's on the record, but we tend to do this with all projects. So, I would hate to just bias this singular one by not accepting it. So, I guess I'm going go ahead and second that motion, and I'll probably be voting for it, but I think in the future, the board, we should, as board, discuss whether we want to do that ongoing, because I think we've trained the public to continue to do it, because I think we always do accept it.

So, maybe we should eventually come at board policy to really send a strong signal in the future.

CHAIR CAPS: Yeah, I agree, if we can just deliberate for a second. I understand people who are commenting members of the public if it comes in late, but for an applicant or appellant to be changing presentations and sending them past the deadline, which was Friday, is not really fair for us in terms of all the information that we need to absorb. That being said, I understand that, you know, a presentation can be… you can say whatever you'd like in a presentation, but we're really talking about now, which what is accepted into the public record in terms of documents. So, I'll be voting no, but we can call the role unless there's other discussion.

MR. LAVAGNINO: Just the discussion for me is that it is …it's the public's, it's not anything that we've blessed. We're just saying this is what we received from the public. I do agree that, I mean, who didn't know that this hearing was happening? Obviously, everybody's here. So, this wasn't any big secret. So, I'm not sure why people take so long to get their last word in. I do agree that, you know, appellants and applicants should have the materials to us far in advance,

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but just because I'm accepting it into the record doesn't mean I'm blessing it. This is what you're presenting to us. So, it's not… if you have inaccuracies in there, it's not like you're getting by anybody.

MR. LEE: As for me, I'll be voting no, because just because we've done it previously doesn't mean we have to do it now, and we have to start somewhere. So, today is that somewhere.

AUDIENCE MEMBER: Can you [INDISCERNIBLE 01:05:24] the mic, because it's hard to hear back here.

CHAIR CAPS: Yeah, is there a volume issue? Are we able to… we just, we'll speak a little closer. Sorry about that. Thank you. Okay. Okay. So, with that, I think we're ready for a roll call vote.

CLERK: And Chair Caps, members of the board, that was a motion by Supervisor Lavanino and a second by Supervisor Nelson?

MR. NELSON: That's correct.

CLERK: Supervisor Lee?

MR. LEE: No.

CLERK: Supervisor Nelson?

MR. NELSON: Aye.

CLERK: Supervisor Lavanino?

MR. LAVAGNINO: Aye.

CLERK: Chair Caps?

CHAIR CAPS: No.

CLERK: Motion fails, two to two.

CHAIR CAPS: Thank you. So, county council, since this is very technical, can you please explain what we just did?

COUNTY COUNSEL: Madam Chair, members of the board. So, under the board's procedures, anything that's filed with the clerk after… no, on Friday, before the hearing has to be voted in on a four-fifths vote,

if it's over a page. There's only four members participating today. So, it would require all four votes, and so, as a two-two, the board has taken no action on these items.

CHAIR CAPS: Okay, thank you. We will move on then to staff's presentation.

MR. NELSON: Actually, Chair Caps?

CHAIR CAPS: Yes, Supervisor Nelson?

MR. NELSON: Yeah. So, I'm okay with where the vote went there, but I do think this should be a message to all those out there in the county that this is something the board may not be doing in the future. Like I said, I voted for it in part because we do this by tradition typically. If we're now going to set us new standard, I'm happy in the future to also vote against these moving forward from this day on, and I'm making sure that, any of those out there watching, that I'm going to look at these a lot more skeptically in the future as well to go with being the board's majority on this in the future.

CHAIR CAPS: Excellent. Yeah, Supervisor Lavanino?

MR. LAVAGNINO: I totally agree. I will not be making any exceptions from here on out for anybody. So, it's what it is. We all agree.

CHAIR CAPS: There we go. So, split vote, but unanimously, we all agree on the fact that this is… we're moving forward with a new plan here. So, okay. With that, I'm going to… we are going to close public comment. I think we have close to 80 if not more. At this point. 122. Okay. So, remember what I said about those who want to

do a minute. Be thinking about your comments, and if you'd like to move things along, you're welcome to be editing in your mind to come down and be towards the beginning. Okay. With that, we'll move it over to staff presentation.

DIRECTOR PLOWMAN: Good morning, Madam Chair, members of the board. Today, we have the appeal of the planning commission approval of the Sable Offshore Corporation's change of owner operator and guarantor for the Santa Ynez Unit, the Pacific Offshore Pipeline Company Gas Plant, and the Los Flores Pipeline system. We have Aaron Briggs, who's the deputy director of our Energy Minerals and Compliance Division here to present, as well as Jacqueline Ibarra, who has been the planner on this case, and with that, I'm going to turn it over to Ms. Ibarra, and she can make the presentation.

MS. IBARRA: Okay. Good morning. Good morning, chair. Good morning, supervisors and members of the public. As Director Plowman mentioned, today, the board is considering the appeals of the county permit transfers to Sable Offshore Corporation for a change of owner operator and guarantor of the San Nunes Unit, the Pacific Offshore Pipeline Company, or POPCO Gas Plant, and the Los Flores pipeline system. You're going to hear a lot of information today. So, my goal with staff's presentation is to keep it fairly high-level and concise, knowing that there are 13 detailed appeal issues. So, please, bear with me as we get through them all. Since there are multiple parties involved, I wanted to introduce who's who. The energy division has been processing these cases. I'm the staff planner, Jacqueline Ibarra,

and Deputy Director Briggs is with me today. The applicant is Sable Offshore Corporation, and the appellants consist of two groups: first, the Center of Biological Diversity, together with the [INDISCERNIBLE 01:09:39] Foundation, and secondly, the Environmental Defense Center, together with Get Oil Out and the Santa Barbara County Action Network. The applicant's request is to consider the following county transfer permits for: one, a change of owner operator and guarantor of the San Nunes Unit from Exxon Mobil

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to Sable, two, a change of operator and guarantor of the POPCO plant permit from Exxon to Sable, and three, for a change of operator of the Los Flores Pipeline Systems permit from ExxonMobil Pipeline Company and a change of guarantor from Exxon to Sable. Under these requests, POPCO remains the legal owner of the gas plant, and Pacific Pipeline Company remains the legal owner of the pipeline system. Important to note, these requests are to transfer the county permits for the individual assets and not the underlying assets themselves. Also, these transfers do not include authorization for restart of the facilities or any work or continued operations. This slide shows the facility locations. On the left are the SYU facilities, outlined in white, which are located in the Los Flores Canyon along the Gaviota Coast. The gas plant is a very small portion of that area located in about the middle of the canyon. On the right shows the Los Flores Pipeline system. It stretches 122 linear miles, starting at the Los Flores Canyon and ending in Kern County. A bit of background on the

facilities and permit transfers. The SYU treats oil and gas produced from offshore platforms Hondo, Harmony, and Heritage. Oil is normally transported via the Common Carrier Los Flores Pipeline system. A pipeline spill in 2015 under Plains All American, a separate company, caused the pipelines and facilities to shut in. However, activities still occur to maintain facility integrity. Pacific Pipeline Company acquired the system in 2022, and your board approved that permit transfer in 2023. Sable acquired these assets in February of 2024, submitted applications to the county in March of that year, and the planning commission approved them on October 30th. Appeals were submitted in November, and now, were before the board in accordance with Chapter 25 B, which governs the process to transfer these permits. This slide quickly covers environmental review and code consistency for the requests. So, under CQA, the permit transfers do not constitute a project, as they don't result in the direct or indirect physical changes to the environment. For code consistency, this table outlines what 25B requires for each: a change of owner, operator, and guarantor. It's limited to nine findings, which are summarized in the left-hand column. Okay, getting into appeal issues. The first few are related to financial guarantee findings that require all facility fees to be paid, and that any existing financial documents are updated to reflect the new permitee. Under appeal issue number one, the appellant state that Sable must be issued final certificates of financial responsibility for the SYU, or San Nunes Unit. That's a state document issued by the California Office of Spill Prevention and Response, OSPR.

The appellants also state that the county must require these certificates for the pipeline system as well. In response, only the SYU permit requires financial documents to be submitted to the county, which are limited to SYU's offshore certificate of financial responsibility. We confirmed that OSPR issued Sable a certificate in October of last year, which demonstrates their financial responsibility of $101 million. That's based on state regulations, and it's not based on the approval of any associated oil spill contingency plan. The pipeline permit nor the POPCO permit requires sable to submit any financial documents, and the county cannot require documents where they are not already required. Finally, not related to the board's findings, but for information only, OSPR also issued certificates for the pipeline system. Those are under state requirements. So, we know that they exist. They're just not required for the county's permit transfer. For appeal issue number two, the appellants state that Sable must pose decommissioning bonds prior to the permit transfer, as required by county permits and state law. In response, the findings require existing bonds to be updated. However, there are no current bonds in place. The permit conditions state that decommissioning bonds will be posted to the county at final facility abandonment. For the SYU and pipeline system, the permit conditions state that the county will determine if bonds are required or if the permitee shall continue to pay property

[01:15:00]

taxes through final abandonment. For state bonding requirements, the county has no jurisdiction over that process, and it's not required for the county permit transfers. For appeal issue number three, the appellants state that Sable does not have enough insurance to cover a worst-case oil spill from the facilities. So, in response, similar to issue number one, only the SYU permit requires financial documents to be submitted. However, the permit does detail that insurance certificates are only required for users of marine terminals, which is no longer applicable for the SYU, and therefore, not required for the permit transfer. Outside of the board's consideration and for information only, Sable also previously provided certificates of both their property insurance and their liability insurance. So, again, we know that they exist and are in place but are not required for the county's permit transfer. For appeal Issue number four, the appellant state that if Sable cannot remediate oil spills or pay for decommissioning costs. The county and its taxpayers would be responsible. In response, the financial findings of 25B are limited to what's outlined in the code, and those findings have been met through the submittal of the SYU Certificate of Financial Responsibility. In addition, county code and the permits clearly outline that abandonment and liability responsibilities for the permitee. Any failure to comply with the permit or code would be subject to fines and penalties. Outside of the board's consideration, for information only, Sable will also post upwards of a $500 million bond with Exxon for those abandonment responsibilities, and there are other state and federal

regulatory protections in place for offshore decommissioning and oil spills if they were to occur. Now, we're moving on to chapter 25B, findings related to compliance with the existing permits. So, this finding requires that the permitee be in compliance with the permit as of the date of application completeness, which was July 30th of last year. So, under appeal issue number five, the appellants state that Sable is not in compliance with the pipeline permit, specifically condition A7, that state that they state requires effective cathodic protection. In response, the permit itself does not list any conditions specific to the [PH 01:17:43] cathodic protection system or its effectiveness. Condition A7 has standard permit language that states that the project description that received environmental review is required as elements of the project. So, the pipeline's environmental document outlines the cathodic protection requirements. It's limited to descriptions of a certain equipment type and location. It also outlines that insulated coating would also be applied to the pipeline in addition to the cathodic protection system. The pipeline does use I'm pressed current cathodic protection, which meets the description outlined in the environmental document and summarized in the check marks here. For appeal issue six, we move on to findings that require all county compliance plans be updated with the new operator's emergency contact information. The appellants state that Sable has not submitted final approved oil spill contingency plans from OSPR, and therefore, the county findings can't be made. In response, we confirmed that all compliance plans were submitted with the required

information back in August of last year. 25B does not require these plans be approved by non-county regulators. Outside of the board's consideration, and for information only, BSEE approved the SYU contingency plan in June of last year, and that plan is currently in review by OSPR. It might already be approved. Sable can speak to that, and similarly, OSPR also reviewing the pipeline's contingency plan. These plans are really considered living documents. They're routinely updated, and they're considered effective upon submittal, which means that Sable is mandated to follow the most current version of the plan in the event of an oil spill or upset event. The next two issues relate to operator capability findings, which requires the operator to demonstrate the skills, training, and resources to comply with county permits and county code. So, under appeal issue number seven, the appellants state

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that Sable has not demonstrated enough capital to restart and operate the facilities. In response, this finding really focuses on the operator's technical skills and safety records, not financial resources. Those specific financial requirements are outlined in separate findings, as we've discussed in appeal issues one through four, and as detailed in the board's record, we determined that the operator does have sufficient technical skills, training, and safety records that show their ability to comply with county permits and county code. Outside of the board's consideration, and for information only, Sable does have the capital to restart and is currently worth

$2.5 billion, and margins will increase once production restarts and oil goes to sale. For appeal issue eight,, the appellants state that Sable has recently been issued various violations for the pipeline system, demonstrating that they cannot operate in compliance with state permits and regulations. In response, the finding requires that the operator does not have a record of systemic non-compliance or unsafe operations related to major incidences for similar facilities. The county defines a major incident as either an oil spill entering the environment, a serious injury or fatality to a member of the public, major facility evacuations, or major facility fires. We confirmed that Sable's previously operated companies, including those within the county of Santa Barbara, operated with zero major incidences, confirming a sufficient safety record. Chapter 25B does not require current compliance with non-county permits or non-county regulations to approve this permit transfer. Outside of the board's consideration, and for information only, Sable has and is implementing safety measures on the pipeline, including installation of valves and conducting inspections and repairs. State agencies have issued violation notices for that work, and it's our understanding that Sable is in ongoing communications to resolve those potential violations. However, again, those are under state required permits and regulations, not county ones, and those activities do not reflect systemically unsafe operations related to major incidences. The last group of appeal issues isn't connected to any specific 25B findings. So, I grouped these in as other. Under appeal issue number nine, the appellants

state that environmental review should be conducted for both the permit transfers and for the restart of the facilities. In response, as I mentioned earlier, the permit transfers are not considered a project under CEQA. They are an administrative process that wouldn't result in any physical changes to the facilities. Restart is not part of the permit transfer process, as the facilities are already permitted to operate under their individual county permits. An environmental review was previously conducted for these operations prior to original project approvals. For appeal issue ten, the appellants state that restarting the pipeline could result in an oil spill every one to four years, and that Sable intends to restart without correcting any issues. In response, the permit transfers are limited to the board's ability to make the required findings of chapter 25B, and chapter 25B only. Outside of the board's consideration, and for information only, that spill data that the appellant site is from an incomplete administrative draft document prepared for a separate project. That data was based on national pipeline failure rates and was increased five times to reflect a rate of failure for pipelines not equipped with cathodic protection. In reality, the pipeline is equipped with cathodic protection, and Sable is required to meet a host of safety conditions prior to restart, some of which are listed here, and a reminder that the county has no authority to oversee those state and federal restart requirements. For appeal issue 11, the appellants state that planned and ongoing modifications to facilities would require new or revised county permits. In response, the permit conditions do have standard language

that outlines any new development, modifications, etc. would require a substantial conformity determination or a new or modified permit.

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However, if any development at any of the facilities does trigger the county's permitting jurisdiction, that would be under chapter 35 of the county zoning code and not chapter 25B of the permit transfer process that's in front of you. For appeal issue 12, the appellants state the county must approve pipeline restart plans that are under the jurisdiction of the office of the state Fire Marshal. In response, Chapter 25B requires the permitee to be in compliance with county permits and county codes. Again, we have no authority over state required restart plans. What we do have safety oversight of is annual audits and reviews of the onshore SYU facilities and the gas plant. We have oversight of the pipeline system through our permit conditions, and there's additional oversight through other county departments. Finally, for appeal issue 13, the appellants state that the planning commission hearing was not fair or impartial, as planning and development did not provide the entirety of the record for public review. In response, we maintain that all relevant materials related to the required findings of Chapter 25B were provided in the record, and all other documents not required for the permit transfer were not included. In conclusion, staff recommends that the board of supervisors: one, deny the appeals, two, make the required findings for approval, including CQA findings, three, determine that the requests are not a project pursuant to CQA, and four, grant de-novo approval of

the permit transfers subject to the conditions of approval. That concludes staff's presentation, and we are happy to take questions. Thank you.

CHAIR CAPS: Thank you, Ms. Ibarra. Any questions from the board at this point? Supervisor Lee?

MR. LEE: Just a question. So, who pays an event that insurance company cannot… that insurance cannot cover the total cost of a spill?

MS. IBARRA: So, Supervisor Lee, through the chair, if insurance can't cover the cost of an oil spill, there's other protections in place. There are certain state and federal laws that allow certain pools of other funds to be pulled from. Yeah, do you have anything to add to that?

MR. LEE: I'll clarify. Do we pay? Does the county pay, the taxpayers?

MS. IBARRA: I don't believe so, no.

MR. LEE: Got it.

CHAIR CAPS: Other questions from the board? Supervisor Nelson?

MR. NELSON: Yeah, thank you. The pool of funds that you're talking about, those are funds that are… that all oil companies pay into to cover kind of as a kind of a self-insurance among the oil industry. Is that kind how that works?

MS. IBARRA: Supervisor Nelson, through the chair, that's correct. That's my understanding.

MR. NELSON: Okay. So, I think that's helpful for the board and the public, and if we go back to that last slide for a minute, I just

want to make sure I understand correctly, that the staff recommendation is to deny the appeals, and I just want to make sure I understand that staff has evaluated each of one of those appeal issues and believe that they're not warranted. Is that correct?

MS. IBARRA: Supervisor Nelson, through the chair, yes, that's correct.

MR. NELSON: All right, thank you.

CHAIR CAPS: Supervisor Lavanino?

MR. LAVAGNINO: I have a question about… and I don't remember what slide it was on, I was talking about previous notices of violation or existing notices of violation. If Sable's name is not on the permit right now, who are we sending them to?

MR. BRIGGS: I got it. Madam Chair and Supervisor Lavanino, so, that's an interesting point. Clearly, we know that Sable is in control of the assets and is conducting the work, and so, predominantly, the communications have been to and from Sable. There have been some important communications where we've copied ExxonMobil representatives, just to make sure that they're in the loop, because technically speaking, like you mentioned, they still are on the permit guarantee.

MR. LAVAGNINO: Okay, and this might… this goes back before my time. What was the impetus for 25B? How did… when was that created and for what reason?

MR. BRIGGS: Yeah. So, Madam Chair and Supervisor Lavanino, in the late 1990s and early 2000s, the county began to notice a trend of

the major oil and gas operators, who had developed these assets initially, starting to sell them off to smaller and smaller companies,

[01:30:00]

and when we have companies like ExxonMobil or Shell or Chevron, we don't really have questions about can they afford to clean up a spill, are they qualified to operate these assets. No one ever really second-guessed their ability to do that, but as they began to sell to smaller and smaller companies, the county became concerned that these smaller companies didn't have the financial assets or the expertise, or generally, the capability of operating these assets in a safe manner, and so, the ordinance was created as a way for the county to analyze a company's ability to operate assets safely before the permit was transferred to the new company.

MR. LAVAGNINO: Okay, but it seems like, and I don't know if anybody was here at the time, but it does seem like 25B is more of a checklist of did they file with the proper state or federal agency, not so much us digging into the financial records of the company. So, I think what the intent was, was for us to analyze these and determine whether or not we thought that they were capable, but because there are other overarching, you know, jurisdictions that we're basically looking at this and saying, did you file this properly with this state agency, did you file this with…

MR. BRIGGS: So, Supervisor Lavanino, we don't want to oversimplify the importance of 25B. We, in putting this together, understood the importance of what we're here for today, and we did a

pretty deep-dive into the records that we have in P&D, and there are, you know, if you go back and you read the staff report for when 25B was created and some of the other internal staff documents that we have, you could kind of see that there was another piece of 25B that may have been intended to come along with it, and in fact, if you look on page 12 of the EDC comment letter, they mentioned that there was kind of a part two to 25B that was really going to dive into the financial stuff, and for one reason or another, that never came to be. So, what we have today is 25B, and, you know, at first glance, it does read like somewhat of a checklist, that you have, you know, certain documents, safety plans, and financial assurances where you've changed the name from the previous owner to the current owner. The tasks that are involved are fairly straightforward, and 25B as it is now doesn't require staff or the decision maker to dive deep into the company's financials in a way that may have been intended in that second part that never came to be.

MR. LAVAGNINO: But is it your opinion that there are other state agencies or federal agencies that are actually doing that?

MR. BRIGGS: So, with respect to a potential oil spill, certainly. We have Bessie Offshore, we have OSPR, with their certificates of financial protection. So, there are other agencies, particularly federal, that are responsible for making sure that a bonding is set in place in the event of a spill could be used to address that.

MR. LAVAGNINO: Okay. Thank you for now. Yeah.

CHAIR CAPS: Yeah. I think, Supervisor Lavanino, you asked the $750 million question, is really the narrowness or expansiveness of this scope. So, I had a couple questions, because really the first is about process and as mentioned other agencies in their role. Clearly, so many people care about this issue and have real concerns about this project going forward. We heard from the city of Bealeton. We heard from the city of Santa Barbara, officially. We heard from the city of Goleta, who've weighed in negatively against advancement of this project. So, if we're looking at sort of a checklist here, what other… is this really the only time in which the people that we represent have a voice in this process here at the county? Are we having another vote? Are we having another hearing? Is this it?

MR. BRIGGS: So, Madam Chair, I think what you're getting at is, as Sable continues to move towards restarting the assets, are there other checkpoints in the process that would allow the county to have public hearings and have a decision making capacity, and to answer that question directly, the answer is no. You know, 25 B in the transfer of the permit from Exxon to Sable, this is really the county's kind of one and only opportunity to hold a public hearing and take public comment.

CHAIR CAPS: So, okay. So,

[01:35:00]

yet what is in front of us, according to staff's interpretation, is a very narrow interpretate… or is a narrow interpretation of what the charge is today. So, for example, we've just confirmed this.

We've seen that they have a certificate of insurance, but have we seen that insurance policy?

MR. BRIGGS: Again, to answer your question directly, we have not seen the policies in detail.

CHAIR CAPS: So, they have not had to submit their insurance policy to us, just the fact that they have a certificate of insurance?

MR. BRIGGS: Correct.

CHAIR CAPS: Given the way the ordinance is interpreted.

MR. BRIGGS: Correct.

CHAIR CAPS: Okay, and similarly, have we conducted our own independent assessment of the pipeline condition, or is this, at this stage, given what we're doing here today, we just rely on their assessment of safety?

MR. BRIGGS: Madam Chair, so, when the spill occurred in 2015, at that time, the pipeline was under the jurisdiction of FIMSA, which is a federal agency, and FIMSA did an a thorough investigation of why the spill occurred, and then they developed what they called the corrective action order, and the corrective action order details all of the steps, comprehensively, that the operator would need to take in order to restart the line, and it's a very detailed list of safety related improvements and testing that would need to be done. So, prior to restart, the operator, and in the meantime, that that jurisdiction has been transferred from FIMSA to the State Fire Marshal, and so, Sable has now been going through this process with the Fire Marshal, checking off all the items on the list as they move along, and notably, in the,

I believe it was in December, the State Farm Marshal granted a waiver for cathodic protection, and within that waiver, there are even more requirements that Sable needs to meet in order to essentially address the lack of cathodic protection in the system, and it requires more frequent inspections of the line, more rigorous testing, hydro testing prior to restart, all kinds of safety related features that have been incorporated into that waiver, and so, that kind of provides a little context on the regulatory side.

CHAIR CAPS: But that's not the role of the county to provide those. So, I said, I have… I'm toggling a little bit between two categories. I have deep concerns about safety. I have deep concerns about financial stability.

MR. BRIGGS: So, bringing that discussion back locally, the county, we do have what we call the system Safety, Reliability, and Review Committee, and operators who operate onshore facilities that are processing oil and gas from offshore are required to go through the safety committee, and that includes P&D, our petroleum engineer, the fire department, APCD, and other county departments where we all look at the facility holistically and make sure that, as they are either restarting or in operation, that all of the federal safety related requirements are being met. I mean, it's a very rigorous review, and we're going through that with them right now, and that's an ongoing process that would basically prepare them for restart, and then also, provide for our annual oversight, as we move forward.

CHAIR CAPS: Thank you, and the city of Santa Barbara brought up the risk of, you know, wildfire threats, seismic risk and just said, you know, that those severe risks would call for updated safety reviews and risk assessment. So, similar to like a new housing project, would the Fire Marshal, our own Fire Marshal be… what's the role?

MR. BRIGGS: Madam Chair, I wouldn't want to speak for the Fire Marshal and how they look at the facility, but certainly, protecting the facilities from a potential fire are a major concern, and if you look back historically, there's been at least one fire that I can think of that basically came to the property line there. So, I mean, the operator is well aware of that, I'm sure. I don't, again, I don't want to speak for the Fire Marshal, but I have confidence that they're deeply involved in making sure that, you know, all of those precautions are taken.

CHAIR CAPS: Thank you. Two more questions. Back on financial stability, do you… I understand that they met the requirements of this sort of checklist, but do we have, do you share any concerns that many people do in the community about financial stability regarding this, especially regarding the fact that Exxon sold them a company but then had to loan them $622 million?

MR. BRIGGS: So, certainly, we've taken the concerns of the public very seriously,

[01:40:00]

and we've looked into Sable's financial condition as much as we possibly can. They do have a pretty sizable cash balance. If you look

at the New York Stock Exchange today, the company's valued at $2.6 billion. Certainly, they have pretty significant resources on hand. I would really like to defer specific questions about their financial ability to them. I'm sure they could speak to that.

CHAIR CAPS: Fair enough. Last question on the insurance policy. I asked about this. So, we've seen this. They've produced the certificate, but we have not seen the insurance policy.

MR. BRIGGS: Correct.

CHAIR CAPS: I understand that's the requirement, but could we have seen the insurance policy? Could we have asked for the insurance policy? Can we still ask for the insurance policy to actually review it?

MR. BRIGGS: Madam Chair, we can ask for any information at any time, and if you wanted to do that today with them here in the room, I'm…

CHAIR CAPS: Excellent. Thanks for that, appreciate it. Okay. I realize I might have skipped over Supervisor Nelson. If you had any questions?

MR. NELSON: I have questions [INDISCERNIBLE 01:41:03].

CHAIR CAPS: Yeah, sorry about that. Just feel free to…

MR. NELSON: No, no, no, I asked my questions.

CHAIR CAPS: Okay, you did. I just wanted to make sure. Okay. All right, any other questions for staff before we move on to the appellant? Supervisor Lee?

MR. LEE: I do. Can we get some background on this? It's my understanding that Exxon originally tried to build a new pipeline. So, what happened with that, and why are we here today?

MR. BRIGGS: Madam Chair and Supervisor Lee, I believe it was 2018 or ’19 when Planes Pipeline, the former owner of the pipeline system applied for a new development plan to build a new line, and essentially, the concept was they would build a new pipeline with today's latest and greatest technologies in the same alignment as the existing line, and staff processed that request for, I think, four years, and we got pretty far into the permitting process. We got pretty far into the environmental review process. We referred earlier to a draft EIR that staff had written but never really released for public review, and so, we had spent a very significant amount of time and effort trying to process that request, and it never came to fruition, because the applicant had withdrawn the request before it was considered by a decision maker, and I don't know exactly what their motivations were for withdrawing that application, but that application, I believe, it was withdrawn by ExxonMobil.

CHAIR CAPS: Supervisor Lavanino?

MR. LAVAGNINO: I just have a question about vesting. If I'm not mistaken, the pipeline was permitted in ’88 or ’89, somewhere in that timeframe, but 25B didn't come into effect until ’02 or somewhere around there. How does that work as far as why are they, first off, held accountable to 25B, and then are they still vested? Is that permit still vested, whether or not they meet 25B or not?

MR. BRIGGS: Madam Chair and Supervisor Lavanino, so I think the two issues are separate from each other. They're subject to 25B, because Sable came in recently and requested a transfer of the permit. So, clearly, they are subject to 25B. I don't believe there's any vesting in regards to 25B, but certainly, the permits for the pipelines and for the San Nunes unit and POPCO Gas Plant, the assets that we're talking about here today are all fully permitted and have been operated for many decades. So, I mean, certainly, they're vested there, and then kind of the conclusion of your question, that might be a better question for counsel.

COUNTY COUNSEL: Madam Chair and supervisors, I think the last piece you're asking about is just Sable's position on vesting, and they are asserting, in their lawsuit against the Coastal Commission, that they are vested right to own and operate the pipelines.

MR. BRIGGS: Okay.

MR. LAVAGNINO: One last one.

CHAIR CAPS: Go for it.

MR. LAVAGNINO: Can we go to… what was the slide about the… where it showed the test stations along 122 miles, 143 test stations, weekly, bimonthly, and annual inspections? It said… you had mentioned on there that they meet all the requirements. Let's see, where does it say? Let's see. Okay, pipeline uses impressed, current cathodic protection meets requirements. Who does that test… where does that testing information go to? I mean, like,

[01:45:00]

is that public information? Does that come to the county? Does that go to a state agency? Do we see any of that?

MR. BRIGGS: Madam Chair and Supervisor Lavanino, so, the pipeline is governed by federal regulations 49CFR195, and the county does not have specific standards for pipeline construction or operation, and so, all of this kind of floats back up to the federal level, and if we remember back to the early '90s, the county was closely regulating Celeron at the time, when they got the permit for the original construction, and they were undergoing the original construction, and there were some disagreements about whether or not we had authority. So, Celeron sued the county, and we ended up settling, and through that settlement agreement, we essentially backed off on being able to regulate the pipeline. So, the features for cathodic protection are really overseen previously by FIMSA and now, going forward, by the State Fire Marshal, and we may not have the ability to regulate the pipeline in that way unless Sable offers it up to us.

MR. LAVAGNINO: Okay. So, I think that's an important topic, important point, is that we do not regulate the pipeline.

MR. BRIGGS: Correct.

CHAIR CAPS: Okay.

MR. LAVAGNINO: Thank you.

CHAIR CAPS: Okay. think we're ready to move on to the appellant. Doesn't mean that we can't ask staff questions going forward. It's really important to me that the board here has plenty of opportunity to ask questions of everyone involved here. So, we'll move

on to the appellant. Thank you, Mr. Briggs, and we'll move on to the appellant, Environmental Defense Center, for ten minutes. Oh, there we go.

MS. CROP: Can the timer be set to the ten minutes, so we can track it? Thank you.

CLERK: Are you good?

MS. CROP: Or you can set it to 15 or whatever.

CLERK: Please, proceed We'll start the clock when you're ready.

MS. CROP: Okay. Well, good morning. My name is Linda Crop. I am chief counsel with the Environmental Defense Center, and I'm here today with Jeremy Frankel, one of our attorneys. We are here today on behalf of our clients, the EDC, Get Oil Out, and Santa Barbara County Action Network. We can't talk about these facilities without talking about the catastrophic oil spill that they already caused. We know the risks of operating these aged, defective facilities. We've already seen it. Another major accident from these facilities is not just possible, but likely. Whatever entity operates these facilities must be held to the highest possible standard when it comes to financial and operational capacity. With that in mind, Chapter 25B requires that Sable demonstrate that it, one, has the financial wherewithal to respond to a disaster and abandon the facilities, two, is capable of responsibly operating them, and three, is in compliance with all conditions of the facility permits. As we and the Center for Biological Diversity will explain, the board cannot make any of these findings. A brief summary of Chapter 25B's history is helpful here.

In the 1990s, there was a growing trend in which the majors would offload depreciating assets to small, speculative companies, like Sable. For the county, there were serious concerns regarding whether these companies would be capable of safely operating proper abandonment and remediating a spill or other accident. For many years, the county would address these concerns by processing transfers under the zoning ordinance. The county would take an in-depth look at a new company's history and finances and evaluate, on a case-by-case basis, whether the company had the financial and operational capacity to responsibly operate. Chapter 25B, which EDC supported, was introduced to codify and expand on the county's historical practice of broadly evaluating a new company's capability.

MR. FRANKEL: All right. Thanks, Linda. With that in mind, let's turn first to the ordinance’s financial

[01:50:00]

requirements, which are outlined in part in the provision shown here. Staff takes this provision to mean that Sable only needs to provide specific financial documents contemplated in the permits at issue. Accordingly, it says, that Sable does not need to submit any financial documents. According to staff, Sable does not need to demonstrate that it has the financial capacity to abandon any of the facilities or remediate an accident, despite the clear intent of Chapter 25B to ensure exactly that. Unsurprisingly, the legislative record for Chapter 25B reveals that staff is incorrect. The ordinance does require that new operators show they have the financial

wherewithal for both remediation and abandonment. Part of staff's apparent confusion is due to the fact that Chapter 25B was intended to be accompanied by another ordinance, as Aaron pointed out, which never came to fruition. Nonetheless, unless and until such an ordinance is adopted, staff were clear that Chapter 25B would continue the county's historical practice of evaluating a company's financial wherewithal on a case by case basis. In the record, you'll find a letter from John Day, former planning staff and one of the authors of this ordinance. He confirms that this is how the ordinance is supposed to be applied. Additionally, as explained in our letter, other provisions clarify that this is not a ministerial exercise. In fact, Chapter 25B specifically allows the county to exact financial guarantees where necessary. That's 10B. Now, staff also ignored this other provision, 10A9. This provision separately requires that Sable show it has the resources, i.e. money, to operate in compliance with the permits, each of which contemplate liability for abandonment and remediation. So, no matter how you cut it, the ordinance does require that Sable demonstrate it has the financial wherewithal for both remediation and abandonment, and Sable has unequivocally failed to demonstrate as much. So, let's start first with remediation, and the risk of an accident is not just hypothetical. Sable’s pipeline is defective, and it has already caused a spill, and events outside of Sable’s control can also cause a major disaster. Pictured as the burn scar from the 2021 [PH 01:52:31] Allisol Fire, which came dangerously close to Sable’s processing plants at Red Arrow. Having already seen the damage that these facilities can

cause, it would be incredibly irresponsible and inconsistent with Chapter 25B not to ensure Sable can respond to a similar disaster. According to Plains, the Refugio spill has already costed upwards of $870 million. Sable is not Exxon. It is a debt-laden, speculative company with no operational assets and no current revenue stream. The limited cash that Sable has will continue to diminish unless and until the SYU is restarted. Thus, as Sable itself acknowledges, it could have little to no capital on hand at the time it resumes production, and importantly, Sable's entire $800 million debt comes due just 90 days after restart. So, consider what would happen if Sable diminishes its remaining cash and a spill occurs during or shortly after restart. Between the cost to respond to the spill and its $800 million debt, Sable's total possible liabilities could be well north of a billion dollars, all but guaranteeing its insolvency. Sable's one certificate of insurance that it submitted does nothing to assure the county that it can remediate a bill, as noted here. Without reviewing the underlying insurance policies, it's impossible to assess the adequacy of Sable's insurance, which prohibits the county from making any financial assurance findings. So, let's turn next to abandonment, and I'd like to call your attention to a likely scenario. By our count, there's at least 20 outstanding approvals, permits, tests, etc., that Sable still needs before restarting, including a new easement from state parks, which may require environmental review. Accordingly, it's possible, if not likely, that Sable never restarts the facilities, forcing it into bankruptcy, but don't take it from me. Take it from

Sable. As Sable itself acknowledges, it may never restart, either because it fails to get all necessary approvals, or it exhausts its remaining capital before it's able to do so. Because these facilities are Sable's only assets, if Sable fails to restart them, it will bankrupt. Yet Sable has not provided the county with any assurances that it can

[01:55:00]

properly abandon the facilities in this likely scenario. Unable to escape the obvious, that Sable does not have the financial wherewithal for abandonment or remediation, staff point to third parties, like Exxon, who could potentially be on the hook, but the question before the board is not whether some third party can conceivably be held liable through protracted and expensive litigation. The question is whether Sable, who is applying to be the guarantor of these facilities, can assure the county that it's financially capable. Because it has not and cannot do so, the board cannot make the financial assurance findings required by Chapter 25B. Lastly, and contrary to what staff suggests, Chapter 25B also requires that Sable demonstrate it's capable of safely and responsibly operating the facilities. As with financial assurances, the board cannot make this finding. Sable has never actually operated in oil and gas facility. All we have to judge its competency is its conduct over the last year. In that short time, Sable has repeatedly violated state law, racking up close to a dozen notices of violation and cease and desist orders. Even more concerning is that Sable has willfully ignored all of these

directives. Sable's conduct paints a picture of a company that is unreliable, unpredictable, and dangerous. Such conduct is disqualifying for any entity, yet alone a speculative company that is attempting to operate some of the riskiest and most highly regulated facilities in the state. So, this is not a ministerial exercise. This ordinance serves a very important purpose, and it's to prevent this exact situation. The board cannot make the requisite financial and operational capacity findings to approve Sable's transfer applications, nor, as CBD will explain, can it find that Sable's defective pipelines are in compliance with their permit. Thus, with great concern for our county and our coast, we ask you to faithfully administer Chapter 25B and deny Sable's applications. Thank you.

CHAIR CAPS: Thank you. Thanks to our crowd. Okay, any questions from the board?

MR. LEE: I do.

CHAIR CAPS: Yeah, Supervisor Lee?

MR. LEE: Do you have an estimate of the total cost of what the 2015 oil spill was?

MR. FRANKEL: So, pursuant to Plain's most recent quarterly report, which was November 8th, 2024, they've estimated that, thus far, they've spent about $870 million, and that's between cleanup and remediation. They spent $100 million in just six weeks. It's $200 million in property damage and damage to businesses and lost profits to the county and things like that, yeah.

MR. LEE: Got it, and a follow-up. How can you verify the work that's being done to correct the problems that's in the current pipeline?

MR. FRANKEL: How can we?

MR. LEE: How can anybody, how can EDC, how can Sable?

MR. FRANKEL: So, I think what's important to remember is that Sable, everyone knows, including the Office of the State Fire Marshal, that this pipeline does not have effective cathodic protection. Yes, it has a cathodic protection system. It's not effective in the entire pipeline. That is why they've sought state waivers to operate, despite the limited effectiveness of cathodic protection. So, when they restart this pipeline, it will still have that same defect, which means more corrosion, pervasive corrosion, and they're relying on just more inspections to potentially catch that corrosion. Those inspections didn't work for planes, and they might not, again, for Sable.

MS. CROP: Yeah. Thank you for your question. Appellant submitted a report by [PH 01:59:00] Acufax, which is a pipeline safety engineering company, that analyzed the waiver and pointed out that there's two types of inspections. So, first of all, as Jeremy mentioned, Sable is not being required to equip the pipeline with an effective corrosion prevention system. We need to know that from the start. We know this is a corroded pipeline. The inspections that are required in the waiver will not be sufficient to detect and prevent another oil spill, and we know that from the county's own expert analysis, but the Acufax report that we submitted last week explains

that, for the inline inspections, they don't address all types of corrosion. There's four types of corrosion. Inline inspections do not pick up some of the types of corrosion. Even if they did, as we know from the 2015 spill, they were inaccurate. So, they were inaccurate for the types of corrosion

[02:00:00]

they detect. They don't detect some types of corrosion. The Acufax report also goes into great detail about the deficiencies and weaknesses of the hydro tests, that are also required, and why they don't necessarily apply, especially in places that have elevation, like on line 325. So, I do, you know, implore you to take a look at that analysis, because it shows, you know, number one, there's nothing to prevent corrosion, and number two, the tests are not going to be adequate to predict and prevent another accident.

MR. NELSON: I have a question.

CHAIR CAPS: Yes, Supervisor Nelson?

MR. NELSON: Thank, Chair Caps. I was just curious from the comment, does the appellant, or did the appellant support the replacement of the pipeline?

MS. CROP: That was not before us. We were waiting for the environmental review.

MR. NELSON: Out of just curiosity, were you guys supporting that publicly?

MS. CROP: We can't… we're a law firm. We can't take a position until we see all the information. So, we were waiting for the

environmental impact analysis to be completed and the policy analysis to be completed.

MR. NELSON: In concept?

MS. CROP: Again, we make our decisions based on law and science and we didn't have all the information.

MR. NELSON: Good, me too. Thanks.

CHAIR CAPS: Supervisor Lavanino, are you good?

MR. LAVAGNINO: I'm just curious about one thing when you're talking about the integrity of the pipeline. How much interaction have you had with the actual bodies that are going to be permitting that pipeline?

MR. FRANKEL: So which bodies in particular are referring to?

MR. LAVAGNINO: That's what I'm asking you.

MR. FRANKEL: The Fire Marshal?

MR. LAVAGNINO: Because it's not us. Yes, with the Fire Marshal.

MR. FRANKEL: Yeah. So, we're in touch with basically every agency that's overseeing aspects of this project in the restart proposal. Most of those agencies don't deal specifically with pipeline safety. That's mostly the Fire Marshal and potentially a little bit of the coastal commission, and I know that the county's own permit does, as CBD will explain, require effective cathodic protection.

MR. LAVAGNINO: So, I guess what I'm thinking is, so you disagree with the state Fire Marshal's perspective, or his position. Is that something that you would possibly seek legal remedy with?

MR. FRANKEL: So, we disagree with the basic presumption that the Fire Marshal makes, that this pipeline can be made as safe or safer than, if it had effective cathodic protection. These inspections are unreliable. You're just trying to track down corrosion and put band-aids on the pipeline. We don't think that it's as safe as proactively preventing corrosion in the first place. Yes, we disagree. What, you know, our options to…

MR. LAVAGNINO: I don't want to interrupt you, but I think this is really important for everybody right now. For me, if I'm getting this, is that I'm not… I think what everybody's worried about is we start up, the pipeline fails, and I'm looking at this as this isn't something we're regulating. The person that is signing off on this somehow is not in this room. Everybody here expects us to… that we're basically the deciding body on this, which we are not, and, you know, the issue that we're talking about today is so divorced from what we're on, but that's what everybody's worried about. So, we got to talk about it is what everybody's worried about is that the pipeline fails, and what are we going to do about it, and the reality is, if you have information that says that that's what the state Fire Marshal is signing off on is inaccurate and unscientific, then I'm trying to figure out at what public forum do we get at that? Because…

MS. CROP: Right. Yeah, thank you. So, unfortunately, the Fire Marshal did not solicit public input or expert input. So, we sent a letter to the Fire Marshal last fall explaining that we believe that they had to conduct public and environmental review and hold a formal

public hearing, and they did not. So, we've been submitting information, and we have this new expert report, but we are still trying to get the Fire Marshal to have a public process, because we think it's important, as you all do. You have a public process to hear from experts and the public and other entities and agencies. So, we are still… we're not trying to jump to a lawsuit.

MR. LAVAGNINO: No, I understand that.

MS. CROP: I understand your question. We're trying to get the Fire Marshal to still allow for public review and hold a public hearing and comment. So, we still have that request. We have not received a response to it, but we think that's really important.

MR. LAVAGNINO: Thank you.

MR. FRANKEL: And just a couple other quick things. The Fire Marshal never released an analysis publicly supporting its decision. So, that's still in limbo, and then

[02:05:00]

also, this is an issue that's not divorced from this proceeding. As CBD will explain, the Los Flores pipeline permit does require that it have effective cathodic protection, and you're about to hear all about that. So, okay.

MR. LAVAGNINO: Okay, thank you.

CHAIR CAPS: Okay, thank you. I had a couple questions about, first, about safety, as we've talked about here. So, you talked about prevention and your concerns about the protections that have been in

place, but what about oil response of spill, spill response? Have you been able to review plans? What's your assessment of those plans?

MS. CROP: Yeah. Well, again, there was no public review and comment. So, we have seen the oil spill contingency plans, and it's important to note that they do indicate, especially for the inland plan, that there could be a spill five times as large as the 2015 spill.

MR. FRANKEL: 14 times.

MS. CROP: Pardon?

MR. FRANKEL: 14.

MS. CROP: Oh, 14 times, excuse me. So, we do have concerns about the oil spill contingency plans. We think that they understate the worst-case scenario. For example, for the coastal portion, the worst-case spill scenario identified in the current plan is smaller than what happened in 2015, even though we know that it could actually be greater. It could actually be twice the size. So, we do have concerns, and again, there was no public process to comment on that.

MR. FRANKEL: And I would just add that the process for the Office of Spill Prevention and Response, they don't account for things, like we saw with Refugio, including operator error. It's a very conservative estimate, and I'd also like to point out that the contingency plan that Sable actually submitted to the county estimated a spill of zero barrels. That was roundly rejected OSPR. They've gone through several iterations over many, many, many months. It took them to finalize a contingency plan. This is one of the most basic and

fundamental responsibilities of an oil and gas operator, and it took them months to try to finalize an acceptable plan.

CHAIR CAPS: Wait. So, if I understand this right, they submitted a contingency plan that had zero gallons spilled.

MR. FRANKEL: That's correct. That's the one they submitted to the county initially, and to OSPR. OSPR rejected that plan. They've since submitted, I think, two or three revised plans, but again, it took them many months to actually finalize a plan, which I think was a couple weeks ago, it was approved.

CHAIR CAPS: And OSPR, the Office of Spill and Prevention and Response, rejected at least twice, these contingency plans?

MR. FRANKEL: I think three times.

CHAIR CAPS: So, and what was the rationale? I will ask them when it's their turn as well, but what was the rationale for a contingency plan after zero gallons was included initially to be smaller than the one in 2015? What's the logic there, if you're able to interpret?

MR. FRANKEL: That might be in part because of the installation of new shutoff valves on the pipeline, but at the same time, again, it doesn't account for many of the things that we saw in 2015, namely operator error, turning the switch back on after they see a pressure loss, things like that, and then we also have an estimate from the county, an analysis prepared for the county that contradicts that as well. It assumed that, with the addition of safety valves, that a

spill could still be twice as large in the coastal segment of the pipeline.

CHAIR CAPS: Thank you, and so, again, still on the safety category, as supervisor Lavanino has mentioned, there's many layers of government in this, and the Coastal Commission certainly has safety front and center. Can you speak to their… of Sable's compliance with the Coastal Commission regulations currently?

MR. FRANKEL: Yeah. So, this goes all the way back to November, when Sable started doing repairs on the pipeline. They were very quickly issued a notice of violation from the Coastal Commission, stating that… and it's not just pipeline safety. They had specific concerns about the excavations that they were doing, which was in a very environmentally sensitive habitat. We're talking about the Gaviota Coast. Sable ignored that first violation, kept working for a few days, got a second one stopped, followed by a cease-and-desist order. Fast forward to today, well, they also got violations from other agencies along the way. Fast forward to today. They've ignored all those violations. They went out there and continued to do work. They were digging up in creeks, drainages, really sensitive areas along the Gaviota coast, all willfully ignoring these agency directives. I think it paints a very concerning picture of what we can expect them to be like as an operator. This is not normal behavior

[02:10:00]

for a responsible entity, and most recently, they got another cease-and-desist order from the Coastal Commission, have ignored that as well.

CHAIR CAPS: What would you expect from a responsible operator, in dealing with the Coastal Commission in [INDISCERNIBLE 02:10:13].

MR. NELSON: At the very basic level, a responsible operator should comply with agency directives, should cooperate, try to, you know, submit a permit under protest. That's something that the Coastal Commission does often.

CHAIR CAPS: And you've seen that?

MR. NELSON: We've been informed by staff that that's something that they do, yeah.

CHAIR CAPS: Sure. Okay. So, thank you for starting your presentation with the 25B, because I do think this confusing, because again, literally what's written in front of us in terms of emotion is very narrow in terms of interpretation, but it's unprecedented in my time here to see that the actual author of the ordinance, you know, wrote us a letter to sort of say, here… So, we have two different interpretations, in my characterization. One is narrow, one is expansive, and then the actual author surfaces from retirement, I'm imagining, to tell us his interpretation. So, I'm just going to read a couple of the sentences. I think the letter has been submitted on time. They wisely went to… he says that, her writes that Chapter 25B was devised for this exact purpose. So, of this growing trend of brand name oil companies unloading their projects under lesser known

companies. That's my language, but he wrote, the primary purpose of 25B, from the get go were, one, to protect the public and safeguard the environment by ensuring that changes of owners and operators did not result in increased risk of accidents or spills or inadequate spill response, and two, to help ensure the responsible parties could pay the cost of cleanup and not leave the public, us, holding the bag. So, as I, you know, a lot of things, as we do these jobs, we have a lot of conversations in the grocery store, in the street. The first aspect of what we're talking about here is sort of this incredibility that you're starting, restarting a pipeline that burst? Wow! That's incredible. The second piece is, when I try to explain this, as we, you know, been preparing for months for this, is that there was this big company, Exxon, everyone's heard of it, that had this pipeline, sold it to a company, no offense, that no one's really heard of, Sable. They didn't have enough money to buy it. So, Exxon loans them the money to buy this thing, and I just, as someone who… you live in the world of oil industry. I do not. Is this common? Does it make logical sense that Mr. John Day, who worked here for the county, created an ordinance so that it gave us an actual role, not a toothless role, not a checklist role, but an actual role for the people, those of us who represent the people to actually say, hey, that smells fishy? No, no, no, appreciate… Let's keep going.

MS. CROP: I appreciate your inquiry, and I was actually here. Well, I was in kindergarten… no. I was actually here, and the Environmental Defense Center and other groups supported 25B, and it

went through a multi-year process. This didn't just, you know, come out, you know, on a moment's notice, but there was a concern about whether or not these new, smaller companies could safely operate these facilities and cover oil spill response, remediation, and abandonment. Exxon is the last major that hasn't done that, but there was a growing trend with Arco and Shell, etc. So, if you read the board staff… the planning commission staff report, the board staff report, which are all in your packet, if you read the findings, it's very, very clear that this was the exact type of situation that the county was concerned about, and why the county has broad discretion to make this decision. It's not a check-the-boxes type of exercise. The county intentionally wanted to be able to deny some of these transfers, based on safety or financial considerations, and that's why the findings are there. If you look at the findings that the board adopted, it's very clear that this was all about public safety. It was about protecting the environment. It was about protecting the community. It was about making sure that there were, you know, assurances that these companies were strong and able to handle all of these responsibilities. So, it's very clear that the board has discretion. In fact, if you look at the findings and the staff reports, it's not just to make sure

[02:15:00]

that a company can comply with county permits, which they can't, in this case, but also, that they have to comply with all applicable laws. That's what the county was concerned about, and we showed you,

they are not complying with so many laws. I've been doing this for over 30 years. I've never seen anything like this before

CHAIR CAPS: Because, because otherwise, why would we have 25B. County counsel, you're welcome to…

COUNTY COUNSEL: Madam Chair, so, I just want to make sure that we are staying to the appeal timeline. So, part of that time is that you can ask each of the parties questions, just like you'll be able to ask the next appellant questions, as well as the applicant, but when the answers get beyond that, we have to start tracking time, and so, I just want to remind… Yeah, there will be an opportunity, there's going to be a rebuttal, and then there's going to be more time later for discussion.

CHAIR CAPS: Fair enough, thanks. I think, with that nice, polite nudge, I will conclude my questions for now, but we certainly have more opportunity.

MR. FRANKEL: Thank you.

CHAIR CAPS: Thank you. So, that means we move on to the second appellant, which is the Center for Biological Diversity, which… ten minutes.

MR. PATRONELLA: Good morning. My name is [PH 02:16:14] Mark Patronella. I'm speaking on behalf of the Center for Biological Diversity and the [PH 02:16:19] Weshtoyo Foundation. The people of Santa Barbara County have every right to be concerned about this project. A company with a history of regulatory violations, an amount of debt is seeking to take on famously troubled production facilities.

To make matters worse, Sable proposes restarting the Los Flores Pipeline system without addressing the systemic flaws that caused the 2015 oil spill. The definition of insanity is doing the same thing and expecting a different outcome. As public officials, you're tasked with taking a clear-eyed look at the situation in front of you and making a decision in the best interest of this community, and it's clear that these permits must not be transferred at this time. My colleague, Rachel Matthews, will explain why systemic issues with the Los Flores pipeline system require a new or substantially revised permit, and I'll use the remainder of my time to discuss abandonment and decommissioning. All three permits specifically require decommissioning when the project is concluded, but it's very clear that financial assurances are needed now to ensure that decommissioning will actually occur. My colleagues at EDC have explained that the county has ample legal authority to impose these requirements at this time, and indeed, it's both necessary and appropriate to impose these requirements when we're moving from a household name to an entity with $800 million in debt and no revenue. Unfortunately, across the U.S., decommissioning has been stalled as a result of enforcement issues, and we can look no further than what happened in the Marine Coen Island oil facilities to see exactly what that looks like and what could happen here. Their, you know, authorities proposed that the facility be decommissioned. The operator went bankrupt and was able to avoid its decommissioning obligations, and as a result, you know, authorities went on to… predecessor entity, surety bonds, all of that was

inadequate. So, as a result, decommissioning remains ongoing. So, there are a number of lessons that we can draw from that experience, as well as decommissioning issues all over the U.S. The first is that we should be particularly skeptical of small entities like Sable, particularly ones that don't have only one source of revenue. Second, I think we have to acknowledge that, if these permits are transferred, it's going to be exceptionally time consuming and difficult to obtain decommissioning funds from Exxon. Third, we have to acknowledge that the property taxes discussed here are wholly insufficient to compel decommissioning from Sable. If you look at the value of the property taxes relative to the tens and hundreds of millions of dollars of decommissioning costs, there's just no leverage here, and finally, I think it's important that we discuss a false solution that's been mentioned earlier, which is that there's a purchase agreement between Sable and Exxon in which Sable commits to seeking surety coverage for decommissioning, but ultimately, that's inadequate for several reasons. The first is the county's not a party to that transaction, meaning that it can enforce its provisions. Second, the contemplated charity coverage is grossly insufficient to cover the decommissioning costs we're looking at. I mean, just for example, the U.S. federal government has estimated that decommissioning just the infrastructure in federal waters will cost about $470 million. That's before we get to any of the onshore facilities discussed here today. So, the coverage contemplated is wholly insufficient to ensure protection for

[02:20:00]

this community. Now, as a result, it's incredibly important that financial assurances be added now, and a wholly preventable problem be avoided. Thank you.

RACHEL MATTHEWS: Good morning, and if you could return the slide presentation. My name is Rachel Matthews, and I'm also here on behalf of the Center and the Weshtoyo Foundation. The board has a choice that it can make today. It can either rubberstamp the permit transfer of an old corroded pipeline that ruptured disastrously in 2015 and hope that it won't happen again, or as we request, it can deny the permit transfer, because operating these pipelines in 2025 looks vastly different than it did when this permit was approved decades ago, and the existing permit conditions just aren't enough to protect the county from another spill. The existing permit conditions, in the underlying 1985 environmental analysis, assumed that these pipelines would have two major defenses against oil spills: functioning cathodic protections, which prevent corrosion using an electrical current, and the pipeline's so-called modern design. Both of those assumptions were wildly wrong. This pipeline's design and its lack of effective cathodic protections caused the disastrous rupture that spilled hundreds of thousands of gallons of oil into the ocean, damaged thousands of acres of habitat, and killed hundreds of birds and mammals. These pipelines have a perfect storm of design flaws. As the federal investigation into the 2015 pipeline rupture explained, the pipe's coating tends to separate from the pipe, which prevents cathodic protections from working. The foam insulation wrapped around the pipe

actually traps moisture against it, which promotes corrosion, and then there's tape that's actually wrapped around that foam insulation, which also interferes with the cathodic protections. On top of that, the oil actually has to be heated up in order to get it across Santa Barbara's hilly terrain, and at these high temperatures, the rate of corrosion is actually 32 times that of a pipe operating at typical soil temperatures. Given all of these issues, it's unsurprising that Sable's own numbers show a stunning 121 repair sites along the pipeline. That's nearly one repair site for each mile. Because the pipeline's cathodic protection system will never work as intended to prevent corrosion along the pipeline, Sable has, as we've discussed, asked the Fire Marshal to waive compliance with the regulations that require effective cathodic protections, but the waivers don't make these old pipelines any safer. All they do is they manage the risk of oil spills through monitoring and repair. This is emphatically not a substitute for proper pipeline to sign and effective cathodic protections, and it also introduces significant opportunity for error. Another thing that hasn't been discussed is that these waivers will actually require more frequent excavation of portions of the pipeline. The terms of the waiver, by our count, require 192 digs in excavations over the next decade, just to validate the results of inline inspections. That doesn't include any additional digs or excavations that have to occur for repairs. This is far more construction activity along the pipeline than would be required of a pipe that has effective cathodic protections, and this level in frequency of work was never

contemplated under the prior environmental analysis or the prior permits. So, as I said before, operation of this pipeline in 2025 looks radically different than it did when these permit conditions were adopted in the 1980s. Under these circumstances, the existing permit conditions direct the county to require a new or modified permit, or at the very least, to find that these changes conform to the existing permit, which they don't. I also want to make a note about preemption. We've heard some discussion about the county being unable to deal with pipeline design. The county has classic police powers to protect the health, safety, and welfare of its people, and so, we're not suggesting that the county try and interfere with pipeline design or operation, but it does have the authority to adopt mitigation measures, financial assurances, and also, to assess financial capability. All of that is well within the county's authority.

[02:25:00]

Finally, the county deserves to understand the environmental risks of restarting this post-bill, decades-old, corroded pipeline. It also deserves to consider the alternatives and the mitigation measures that are available, and the board can make that happen today by requiring a CEQ analysis before any rights are transferred. This is not simply an exercise in switching out one name for another on a permit. It's a consequential decision that does impact the environment. You know, your decision today comes down to what is more important: the residents, wildlife, and ecosystems of Santa Barbara

County or the shot shareholders of an out-of-state oil corporation, and we hope you choose Santa Barbara.

MR. LAVAGNINO: I have a question.

CHAIR CAPS: Thank you. Yeah, Supervisor Lavanino?

MR. LAVAGNINO: Well, first off, that was an awesome political speech, but the reality is in what legal world can I, as a regulator, tell somebody, you have a vested right, and you got a permit back in the day, but you know what, thanks? I don't know. I'm just trying to figure out, in real-world, it sounds great, and for people that are for listening today, it sounds so easy. I mean, all you got to do is just make them get a new permit. The world doesn't work that way. That's not legal. You would open yourself and everybody up in this room and everybody in this county to legal repercussions, not just the oil industry. A restaurant industry, a clothing industry, we don't like the way you're doing business now. I'm just trying to figure out where you came up with that idea, that you would require a new permit, and in how many years should it be, the new permit, under what restrictions? I'm just curious if you have a response to that. That just seems very pollyannish to me.

MS. MATTHEWS: Sure. Well, thank you for the question, for allowing me to clarify. If you look through the existing permit conditions, throughout, for all three permits, but in particular, we're talking about the pipeline permit, there are specific permit conditions, and they're cited throughout my presentation and the center's comments, that specifically allow, and actually in some cases,

require a new or modified permit in response to changes in the operations or design of the pipeline. That's baked into the permit terms, and so, in this case, well, in this case, we're just asking you to deny the transfer of the permits, because we don't believe that you can make the findings. As all of my colleagues have discussed, there is authority within the permits themselves that require new or modified permits or a finding of substantial conformity, and in staff's presentation, they also discuss that, that that might require a different proceeding.

MR. LAVAGNINO: Okay, thank you.

CHAIR CAPS: Other questions? Supervisor Lee? No Supervisor Nelson, you good?

MR. NELSON: I'm good.

CHAIR CAPS: Okay. I'm good at this time too. Thank you very much. So, now, we're going to move on to the applicant who has 20 minutes to present. Just a little housekeeping, we'll probably take a break after the board has questions for the applicant, just a short ten-minute break, and we have 122 speakers. So, as folks are coming up to the podium, and you all, by my math, that would be about six hours. So, I would just be really thinking about one-minute comments, or perhaps you can not… everything doesn't need to be said all the time. Supervisor, Lavanino?

MR. LAVAGNINO: I just have a question. The other time that we got over a hundred speakers, I know that we posted a list, because

we've got people all over the building. We're doing that? Okay. So, if you want to… I think that'd be a good idea to talk about.

CLERK: Yes, thank you, Chair Caps and members of the board. Wonderful lead. I was going to announce to all those members of the public who are joining us today. As you will see on Zoom, you are numbered. So, that is the order, the speaking order for today. You do not need to use the raise hand feature unless you are going to opt for the one-minute. I will call for those when we do get to public comment. My apologies to the applicant, this will be brief, and to all those in our rooms, in the planning commission room, the conference room, and here, we have posted, it's a seven-page document with everyone's names listed next to a number. So, that is your order. I will be calling five speakers instead of the usual two. So, please hear for your name. If you hear your name, and you are downstairs or in another room, please make your way to the hearing room, just so you have enough time and lineup behind the podium. That is much appreciated. So, that list is posted in all the rooms. If you can't find a list, please, go to Leah Graham in the back of the hearing room here, and she will show you where you are. Thank you.

CHAIR CAPS: Thanks to our clerk and your office, awesome team. So, again, just if everyone spoke at one minute, we have two hours of public comment. So, let's

[02:30:00]

just keep that in mind when you're thinking about what you'd like to say as you hear this information. Okay, apologies, it's your turn. Thank you so much.

CLERK: Could someone put up the presentation, please?

MR. RUSCH: Here we go. Well, good morning, Madam Chair and supervisors. My name's Steve Rusch, and I'm Sable Offshore Corps' Vice President of Environmental Regulatory Affairs. As staff has already recommended, we're here to seek approval of our application for change in owner operator and guarantor for the SY project, POCP Gas Plant, and the Los Flores Canyon pipeline system to Sable Offshore Corp. Sable is an independent oil and gas company. Our team has extensive experience in California, and we currently have about 100 employees here in California, and we continue to hire more. We're a seasoned oil and gas company and oil and gas operators. We have skills and training necessary to operate facilities safely and in full compliance with all county permits. Our management team and executive team even have more than 20 years of experience operating oil and gas facilities right here in Santa Barbara County and the Santa Barbara Channel. Personally, I started my career on this very project back in 1981 and supervised the receipt of permits and startup in 1993. So, it's deja-vu all over again for me. We're passionate about what we do here, and we're passionate about being safe and ready to start operations. As you know, Sable acquired the facilities in February of '24 and have been working with this county, state, and federal agencies ever since, and to just be really clear on one point, we own these facilities. We

bought the facilities. We're operating the facilities. We hire staff on the facilities, and we're paying taxes on the facilities. The matter before you is simply a change of name of the permits. The limited purpose of this hearing is to seek approval of the transfer of the county permits from Exxon to Sable. Your planning commission approved these transfers, and county staff recommends that you approve them as well. To be clear, the permit transfer does not affect the restart of the operations. It's just simply a transfer of the name from Exxon to us, just like it would be in a business, change the marquee.

MS. STEBBINS-BINA: Good morning, Chair Caps and supervisors. My name is Jessica Stebbins-Bina. I'm with Latham and Watkins, outside counsel for Sable, and Mr. Rusch and I will be trading back and forth. Chapter 25B is a narrow code with a limited purpose, and we'll talk about that more in a little bit, because you've heard some pretty misleading information today about Chapter 25B, but what it does is it puts the county in a direct relationship with a new owner, author, operator, and guarantor. It doesn't change who owns the facilities, it doesn't authorize repairs. Sable's restart activities are separately governed by state and federal agencies, who are tasked by law with ensuring pipeline and oil processing facility safety. Appellants have made a number of arguments against approval, but what I want to bring up now is that the board rejected, already, many of these very same arguments a mere 18 months ago in September 2023, when you approved the permits from Planes to ExxonMobil. Appellants argued at that point

that transfer was a project under CQA, and this board properly rejected that argument. Appellants argued at that point that new FTPs were required because of the supposed failure of cathodic protection over the 2015 spill. This board properly rejected that argument as well. Appellants argued that the 2015 spill meant there was a failure to comply with county permits authorizing a denial, and this board rejected that argument. It rejected the argument that the pipeline being inactive somehow meant there were additional hurdles for transfer. All of that was dealt with 18 months ago, and there is no lawful, non-arbitrary basis to revisit any of those issues now. Nothing has changed. Approval of the transfers under Chapter 25B is mandatory when conditions are met, and they are met here, as the planning commission found.

MR. RUSCH: As the staff pointed out, Sable supplied all the data information necessary to make the 25B findings. After reviewing the record evidence, including extensive comment, letters, public testimony, and county staff recommendations, the county planning commission found all the findings were met. We've included quotes from the planning commission's findings confirming that Sable has met all the county code requirements.

[02:35:00]

This one? After the planning commission approved the transfers, two appeals were filed.

MS. STEBBINS-BINA: Something’s gone wrong here with the slides. So, we'll just go back. I think we're going the wrong way, sorry.

MR. RUSCH: Bear with us here.

MS. STEBBINS-BINA: I think this is the… if we can pause for a moment, t is the version of the PowerPoint that you didn't adopt into the record, and we are reading from the one that you did. So, I guess we can go through either version, but I don't know if you want to switch it to the one that you've actually admitted to the record.

MR. RUSCH: There's a two-slide difference

CLERK: Members of the board, it's up to the applicant to determine which they would like to present. So, either one is fine.

MS. STEBBINS-BINA: I'm happy to present the one that that is up. I didn't want to run afoul of your procedures. So, we can do that if you… you're fine, okay.

MR. RUSCH: Yeah.

MS. STEBBINS-BINA: Apologies for the interruption.

CHAIR CAPS: And I would like to note, I did pause your time for that exchange.

MS. STEBBINS-BINA: Thank you kindly. Yeah. So, now, we just have to go back to the right page. Sorry, it's not clicking for me. Could someone get us back to the beginning? I apologize. Yes. [INDISCERNIBLE 02:36:27]. Bear with me one more moment. We'll get to right place.

MR. RUSCH: It's right after that, right there.

MS. STEBBINS-BINA: Yeah. So, this is… yeah. Actually, we did this one. Here you go.

MR. RUSCH: Right.

MS. STEBBINS-BINA: Thank you. Pardon for the interruption.

MR. RUSCH: Next one. Do the next one?

MS. STEBBINS-BINA: Yeah, skip that one.

MR. RUSCH: We'll get it straight here in a second. Sable exceeds the financial requirements under 25B, as the planning commission found, and the staff report confirms. There's a lot of details on this particular slide, but basically, there's more than $700 million currently available to address any incident. As I mentioned, Sable exceeds the 25B requirements. We have obtained certificates of financial responsibility from OSPR, or the Office of Oil Spill Prevention Response, that show we have complied with the state financial requirements. The certificates show we are insured at the maximum level the state can require, excuse me, but in fact, we have four times the amount shown, and just to address another comment, these are certificates based on an integrated contingency plan that the state confirmed earlier this month to have no deficiencies. That plan is based on an operating pipeline and not in a pipeline without flowing oil, as claimed earlier by the appellants. As you know, there are multitudes of compliance and contingency plans required of Sable by Santa Barbara County, all of which have been updated and reviewed by staff, as required by 25B. There's the plans. Also, regarding required emergency response drills, we've conducted two successful emergency response drills and were complimented by the agency present for our professionalism and a well-trained response team. Our management team, next slide, has extensive experience in operating

facilities on the Santa Barbara channel in an exemplary fashion, and the last time the team operated in Santa Barbara County, it received numerous awards from the state authorities for its excellent operations, including Santa Barbara County's only resolution for good operator, recognizing outstanding operating performance. It's the same team and folks today that are managing this project, that operate those projects. Sable has demonstrated a strong commitment to world-class safety and quality. Sable implements rigorous testing programs to ensure that the production facilities operate safely. We know everyone is worried about a spill, as it has been talked about today and forever. We're going above and beyond the regulatory requirements to ensure that that does not happen again. Sable offers one of the safest possible solutions to the fact that California still needs oil. Oil not only fuels cars and planes and powers our homes, but is a key ingredient in building materials, cosmetics, plastics, clothing, etc. When SYU is operational, it will replace approximately one million barrels of imported oil per month, oil that, right now, is exclusively shipped in by tankers traveling off our shores. That's the oil that it will displace. The worst-case scenario spill from the Los Flores scanning pipeline rupture is less than 1% of what the smallest tankers that are traveling through the Santa Barbara channel can hold.

[02:40:00]

Sable's enhanced safety protocols and management systems are overseen by our experienced team, who are key to our longstanding

record of safely and successfully operating oil and gas production facilities in California. You want to take that one?

MS. STEBBINS-BINA: That's you still.

MR. RUSCH: Go down.

MS. STEBBINS-BINA: Sorry, we rearranged everything, and now, we have to go back. There you go.

MR. RUSCH: So, there's been a lot of discussion on cathodic protection, and we'll talk a little bit about the enhancements. The board's already looked at cathodic protection when it approved the transfers to ExxonMobil. Well, cathodic protection remains fully in place on the pipeline. There's 125 miles of pipeline. This board already correctly found that cathodic protection is not a condition of the FDP. The staff report confirms again that Sable is in full compliance, that there's no changes from September 23, when that transfer took place. With respect to the board's with cathodic protection findings, there's some confusion about the waiver we received from the Office of State Fire Marshal. The waiver does not reduce any requirements or remove cathodic protection. What it does is allow us enhance pipeline integrity, which is the overarching program, far and above what exists today, and we'll talk some more about that later, with 68 new requirements, and again, this has nothing to do, of course, with 25B.

MS. STEBBINS-BINA: After the planning commission approved, the transfer two appeals were filed, and that's why we're here today. These appeals misstate the facts and misrepresent, fairly egregiously,

the county code requirements. They're an effort to distract this board from the mandatory requirements of 25B. The appellants presented the same arguments to the planning commission, which properly rejected them. This is not a procedure about enabling a particular company. It is about applying the county code in an even-handed, unbiased way that complies with the law. Sorry. First, the appellant's wrongly claim that new permits are required to authorize the facilities. As staff has correctly explained, the existing permits are valid, and none of the circumstances that would allow the county to revoke or modify them have occurred, and chapter 25B does not authorize the modification of permits. It's simply a transfer statute. Appellants also demand additional financial assurances far beyond those authorized by 25B, which we'll talk about in more detail in a moment, but as a Supervisor Lavanino appropriately pointed out, there is no authority to simply tear up the FDPs and require new ones, and to appellant's arguments that there should be a decommissioning bond, there is no bond requirement in any of the FTPs prior to actual decommissioning. This board has not interpreted the FTPs to require such a bond at any point in their 40-year history, and to do so now would be wholly arbitrary. Without signing to specific conditions of approval, appellant's claim were non-incompliance with permit requirements based on the 2015 spill. Again, this board found the opposite last 18 months ago when it approved the transfer to ExxonMobil. Appellants urge this board to adopt a sweeping interpretation of 25B, but their arguments are extremely misleading. It is true that it was a multi-year process to

adopt this statute, and they have attached memos from very early drafts, where staff was proposing a very broad, bold statute that would require all sorts of assurances, and those memos defend those arguments and address concerns about them, but that's not what was actually enacted, in part because a number of the procedures that the board would have thought about enacting back in 2001 were patently illegal, like tearing up the permits and requiring completely different ones. So, if you look here, you can see the language from the ordinance that was originally proposed and then what is actually adopted. So, originally, there was a proposal that the board could require, or the planning commission could require all necessary instruments or methods of financial responsibility necessary to comply with any permit or county ordinance. The updated version simply says that the actually adopted version simply says that those materials have been updated, if necessary, to reflect the new owner and will remain in full effect. Similarly, the draft originally said in order to ensure that the new operator owner, temporary operator guarantor, the board could seek assurances to ensure that those maintained adequate financial guarantees

[02:45:00]

for operations and abandonment. Now, that's very broad, but what's actually adopted is only to ensure that any insurance or other financial guarantees that were submitted to and relied on by the planning director as a basis to make any of the findings by this chapter are maintained. So, you can see that is a drastic narrowing

from the original draft. Similarly, on abandonment, originally, there was an entire provision requiring a new operator to make a plan and funding for abandonment. That does not exist in the final statute. It was eliminated, and we are limited by what the code actually requires here. Because 25B is such a narrow statute and a mandatory one, appellants ask this board to look basically everywhere but 25B, and they've attached a whole host of other things related to: pipeline restart, safety operations, various things they think matter, but they are not within 25 feet. They are within the exclusive jurisdiction of federal and state agencies that this board does not have the authority to usurp. This board should not take the bait and should follow the law as enacted. Oops, I went two slides over. I do also want to briefly talk about the NOVs from the Coastal Commission. Appellants made a bold statement that Sable is simply ignoring the Coastal Commission NOVs, but in fact, when Sable began operations, they understood that the repairs on the pipeline, which are required by the Office of the State Fire Marshal were fully covered by the existing permits, and in fact, county staff has expressly confirmed that in writing. So, it is not the case that Sable is simply operating in violation of the NOVs. It is operating under the express authority of the county. In addition, when the NOV was issued, Sable did stop work. It undertook only necessary work, which by the way, all the work, at all time, was supervised by biologists and bicultural protectors. They took steps only necessary to secure the site, and then they engaged in months of negotiation, addressing these issues, trying to figure out

who did have authority here. Was it the Coastal Commission's jurisdiction? Was it the counties? Was it covered by the original plans? Was it not? It was only after the county confirmed, in writing, that it was within the original FTPs and covered by the existing permits that Sable resumed operations, and they did that, I think, earlier this month. At that point, the Coastal Commission issued another notice of violation and say, we filed a lawsuit, and that is now before the courts, but a legitimate dispute about who has jurisdiction is not a sign of disrespect for the law. You have jump to the end here.

MR. RUSCH: Right, well, we've covered a lot of points, but the bottom line here is pretty simple. We've met all the chapter 25B requirements. We've demonstrated all operator capabilities and financial requirements, and we've gone above and beyond those requirements, and nothing the board does here today authorizes or prevents restart, as I mentioned earlier. So, we respectfully request that the board deny the appeals, confirming the planning… or deny the appeals and confirm the planning commission's decision, determine that the requested change of owner operator and guarantor applications are not a project and are exempt from CQA, make the findings under Santa Barbara code 25B9 and 10 and confirm the approval of the change in owner operator and guarantor applications. We're available for questions. Thank you.

CHAIR CAPS: Thank you so much to you both. Let's see, any questions from the board?

MR. NELSON: I have a question.

CHAIR CAPS: Oh, thanks, Supervisor Nelson. Go ahead.

MR. NELSON: Yes, thank you, Chair Caps. Getting back to an issue that was brought up previously that I wanted and hope that you could clarify for us was the OSPR spill response that you previously had said that there'd be zero barrels of oil that would be spilling. I think I know the answer to this, but I think, you know, you're the expert. So, hopefully, you'd be able to expand on that. that's oil coming from offshore into the ocean, right, and could you speak to how that, the iterations of those initial plans, and how you guys came to the number that you did and why you initially proposed zero?

MR. RUSCH: Sure, Madam Chair, Supervisor Nelson. When we originally submitted the oil spill contingency plan, we had zero barrels in there, because we weren't producing anything, and at the time,

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it was pretty early into the process as we were doing everything else. So, ultimately, we updated that as we got closer to restart, restarting this project, and we put the appropriate spill response volume or the potential worst-case discharge into that application. So, it was just basically the timing. So, it now has the correct numbers in there, and they've essentially approved the plan, or they taken no more exceptions as of a couple weeks ago. So, everything's fine.

MS. STEBBINS-BINA: One other note on that is that the ultimate worst-case scenario discharge are very materially lower than they were under the old pipeline, in part, due to the installation of the safety valves into the other extensive additional safety measures that the office of the state Fire Marshal is overseeing.

MR. RUSCH: Right. There's AB864, as I'm sure you're familiar with, or heard of right, created the coastal best-available technology requirements for pipelines, of which this pipeline falls under that, and that's the regulation that requires essentially safety valves. So, there was a CBAT, we call it, report that was done and approved back in '21, I think it was, under Planes, that had what they call an FRD analysis, which is a risk analysis that determines, okay, how many sections of pipeline you divide up into and put safety valves in. So, as a result of that as opposed to what some of the other testimony has been here today, is it's reduced the worst-case discharge on the coastal line by 40%, but it's also reduced the inland… you're getting a number of the inland of 15, 14,000, whatever the number, about that, which is inland San Joaquin Valley or Cuyama. So, there's two pipelines here. There's kind of an inland section of the coastal section. The spill was on, 2015 spill was on the coastal section. So, that now has it, purely from a potential leak standpoint, been reduced by 40%. Then the other thing that we committed to, and this is all posted online on the CBAT plan, we've added a couple of spill response teams, one Gaviota and one at Las Flores Canyon, to reduce the time to respond to a spill. The response, the inadequate response to this

spill was out of Bakersfield. They did not have spill response plans on the coast. So, we've doubled up the spill response on the coast, and we did an analysis and submitted to the Fire Marshal, which shows that, and this is the plan that was rejected, that actually reduces the spill… the amount of oil to water down to less than 400 barrels. So, there's been significant work done on that pipeline, and all the safety valves are installed, ready to go, as we gear up towards restart here. So the claims that there's some greater spill potential is absolutely false, and the Fire Marshal has reviewed that plan, and it's available for review by the county, and the county has a plan.

MR. NELSON: Mr. Rush, if I could continue, one of my other questions was just trying to compare what was back in 2014 until now, you know, at that time, my understanding is we had two assets out there. We had a pipeline and a plant, two different ownerships, right? Now. moving forward, it's under a common ownership. What does that look like, and does that end up helping or hurting the future and the potential for spills?

MR. RUSCH: Yes, Supervisor Nelson, Madam Chair, absolutely, right. We now own the pipeline and the offshore facilities and the onshore facility. So, we have a direct interest in ensuring our aorta, our pipeline going out of Las Flores Canyon operates as, you know, as safely as possible and does not leak. We have direct interest in that. Prior to that, you had a separate company owning that pipeline, one of many pipelines they own in the entire United States, and it was not probably as high a priority as some other places. This is our number

one priority. I mean, it's been mentioned, this is our only assets. That's true, but it provides the benefit that you just alluded to in that we're now responsible for everything. So, we have a direct interest in making sure that's all operating safely.

MR. NELSON: Thank you, Mr. Rush.

MR. RUSCH: Thank you.

CHAIR CAPS: Any questions? So, thank you. You just talked about this. Thank you, Mr. Rush, and Ms. Bina, thank you very much. So, you just mentioned this is your only asset. So, yeah. So, just to state, how many other pipelines do you operate?

MR. RUSCH: Well, there's…

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within the SYU project, there are the federal lines coming from the platforms to shore. So, there's a natural gas pipeline and an oil pipeline, a water pipeline. Those come into the facility, and then the oil and gas is treated, gas is sold to SoCal into the SoCal line, and the oil enters, now, our pipeline at Las Flores Canyon and travels pumped all the way to San Joaquin Valley,, where it goes in the line, 2,000 other pipelines either go to LA or up north. So, those are the lines that we now own, or the 125 miles of pipe to get to that connection in Bakersfield and the lines from offshore, in between the platforms and from offshore to shore.

CHAIR CAPS: But it's correct that Sable does not own, operate any other, has no experience operating any other pipelines?

MR. RUSCH: No, it's that we don't have… the management team that that's here, that was here before at one time, I think we operated 17 platforms off the coast of Santa Barbara, Ventura County, and even LA. So, we had experience operating pipelines all along the channel, with Point Pit Analysis under Planes Exploration Production, and then Freeport ran the same management team operated all those facilities, and many of the people that are now working for us that we're bringing on board in Las Flores East Canyon have operated some of those facilities. So, we have a lot of experience operating the types of pipelines we're talking about, but currently, this management team under Sable operates the pipelines I'd mentioned previously.

CHAIR CAPS: But you have experience operating the offshore pipelines like this one?

MR. RUSCH: Absolutely. Absolutely.

CHAIR CAPS: Okay. I'm just going to… okay. So, back to the insurance policy. You can understand why there's a lot of emotion and concern. I don't know if you were here in 2015 and the years have proceeded, but it was incredibly devastating to every single sector.

MR. RUSCH: I live in Santa Monica.

CHAIR CAPS: The economy, our fishermen of, of course, those who worked on the pipeline, our environmentalists… it was, is still shocking, and so, insurance policies are really important, and a lot of it has been made. I understand you've satisfied the requirement of just providing a certificate of insurance, but would you be willing to provide the actual policy?

MR. RUSCH: Want to speak to that?

CALDWELL FLORES: How are you doing, Madam Chair? Hi, I'm [PH 02:57:36] Caldwell Flores, President of Sable. It's nice to meet you.

CHAIR CAPS: Yeah.

CALDWELL FLORES: We have to review our contractual language with our underwriters, but to this day, we have not been asked by any entity, including staff here or OSPR or federal staff to provide anything more than certificates. We have over $400 million in liability insurance and another $35 million in pre-restart, open $90 spill additional coverage. That number can go up to $101 million. So, it makes about $500 million. Then you put our cash on top of that, plus post restart. You take revenue and put that on top of that. So, you start talking about an alleged $870 million in a worst-case previously, and then the upgrades made to the line referenced by staff here and acknowledged by staff here, and you can see why we feel very comfortable. We are well capitalized. Plus, being a public company worth nearly $3 billion, we feel very comfortable with the ability to secure capital in any other extraneous scenario. Thank you.

CHAIR CAPS: So, okay. So, you haven't been asked to provide your full insurance policy, you don't intend to do.

CALDWELL FLORES: Not to this date, no, ma'am.

CHAIR CAPS: Okay.

MR. RUSCH: And we provided the certificates of insurance, which is what's is standard in a transaction. They're reviewing the policies

to see if anything additional can be provided, consistent with those contracts.

CHAIR CAPS: Okay, perfect.

CALDWELL FLORES: Thank you, ma'am.

CHAIR CAPS: Thank you very much. Any other questions from the board before we move on? Okay. We are just going to take a ten-minute break, because we've been going for about two hours and 45 minutes. Thanks to everyone. You've been quite respectful of people's time, and again, we will be back in about ten minutes.

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CHAIR CAPS: All right, I'm happy to… hello. Let's have some quiet, please. Thank you. All right, everyone. Now, we're at the public comment portion. As a reminder that if we went to full public comment for three minutes, we'd be here until… this item would go until 7:00… no, until 9:30. The whole hearing would go until 9:30 PM. So, with that, as I

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advertised already, we're going to let those who are electing to give one minute or less comments go first, but we do have, as chair's prerogative, we have former supervisor, Mike Stoker, who's requested to speak. I'm going to allow him to speak first, but he is in those that one-minute category wherever you are, Mr. Stoker

MR. FRANKEL: Okay, whenever you're ready. Is there a timer? Okay. So, we've heard a lot today, but here's what we haven't heard: any assurances that this company will be able to remediate a spill or abandon these facilities, and we haven't heard any valid justification for ignoring these agency directives, especially the Waterboard and Fish and Wildlife. So, I want to bring us back to chapter 25B and what it is that's required on the ordinance and specifically the financials. Sable, in their presentation, had a slide that suggested that the ordinance had been changed, that language had been added to some of these provisions, and that the original intention of staff was also changed in that process. That's actually incorrect. So, if you look at 9E1 in particular, which is for guarantors, the financial assurances finding, that was the same. That was the same when it was in the planning commission and the same afterwards, and so, the staff recommendations for how that's supposed to be applied, that it requires a searching inquiry into financial wherewithal, that is completely intact, and in fact, as far as this additional language goes, the board agenda letter that staff submitted before the board, back in 2002, it specifically said why that language was added. It's not a mystery. It said it was only added to alleviate confusion. Apparently, there was confusion that there was duplicate requirements between owner, operator, and guarantor. It was just saying there is no duplicate requirements. So, that's all that that was for, and we don't have to guess about what chapter 25 B means. We have a letter from the person who wrote it, saying what it means, commenting on the final ordinance

as adopted, and even putting that aside, the interpretation that that Sable is proposing undermines the entire purpose of the ordinance. It's inconsistent with basic principles of statutory interpretation. It renders all these other provisions superfluous, like the one allowing the county to exact financial guarantees, and then just quickly, I want to just bring our attention back to a likely scenario, which is that Sable never restarts, and then they bankrupt. What happens with abandonment? They don't have the financial capability to do that. We've had no assurances today that they will be able to properly abandon

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these facilities. The county, by approving these transfers, is just wide-open, walking into that likely scenario. Bankruptcy, no funds for abandonment, and millions of dollars in taxpayer money to clean it up, and then Linda wants to add something.

MS. CROP: Sure. I want to address two quick issues: their compliance record and lack of information about their insurance. So, with respect to the compliance, we know they have multiple notices of violation of cease-and-desist orders. They're violating them to this day, and their response was, well, we filed a lawsuit. We didn't like it, so we filed a lawsuit. That's not how you do it. You comply with the orders. If you want to challenge them, you file a lawsuit, and it's the judge that decides if you are bound by them or not. The judge will decide whether or not to issue an injunction or not. Sable can't decide on its own that these don't apply. So, that's their attitude,

and the fact that they have a county letter has nothing to do with notices issued by other agencies. You know, we hear about preemption when it's convenient, but here, they're saying the county is preempting state agencies. That's just not true. They are not complying with orders from state agencies. That is huge. The final thing I wanted to mention was, on the insurance, we heard from staff that the county can ask for the insurance policies, and yet, when the board asked for them, you got an non-answer. It was, well, we issued the certificate. You know, we submitted the certificate. That's all we have to do, but staff even said, you can ask for them, and that's important because we know that Planes has not recovered fully on its insurance from the 2015 spill. Why? We don't know for sure. Is it because planes was found negligent? Is it because the policy had limitations on coverage to begin with? You need to look at the policy to find out what is covered, what the exclusions are, what the exemptions are, what the indemnifications are. You need all of that information, and so, it's really important. This is your one chance. You were also told that. This is your one chance to look at this issue. You need to look at their compliance record. You need to look at their financial situation. You need to look at whether or not this pipeline adheres to all the conditions, as CBD will talk about more. So, we urge you to step back. Be really, really careful. This is why this ordinance was written, was for issues like this that are facing you today. Thank you.

CHAIR CAPS: Thank you. Any questions? Just real quick, any questions from the board? Okay. All right. We'll move to you. Five minutes for our second applicant, appellant.

MALE 1: Okay. Good afternoon. Thank you for hearing us out. I'd like to start by clearing up a few misconceptions. You know, I want to begin with pointing out that this is a de novo review, which means you're not bound by the mistakes made by the planning commission. I want to also point out that, you know, there's been some dispute as to whether this is a CEQA project but it's very clear that this is part and parcel of a restart, and that you can't piecemeal a project to avoid CEQA analysis by dividing it into infinite discreet projects, and there's unequivocally going to be environmental effects. We're already seeing environmental effects during the operations in the coastal zone going on right now. I also want to talk about decommissioning. It's crucial that these bonds be imposed now. If you look at the language of all three permits, there's no requirement that they be imposed after the facilities are closed, and so, there's really no reason to wait. If you look at the way the federal government does things, the state government does things, they don't wait until the facilities are closed to impose decommissioning requirements. You don't impose bonds when a payment is due. That's just a nonsensical interpretation of this rule. If you look at section B2 of the LFP and POPCO permits, it's also very clear that these permits can be supplemented to ensure environmental protection, as well as financial protections occur. Moving on to cathodic protection. There's been

some back and forth on that. Some groups have said cathodic protection exists. Don't worry about whether it works, but if you're buying a car, you don't ask if it has brakes. You ask if the brakes work, and what's very clear is that the cathodic protection system here is not effective. In fact, they've had to go to the state to obtain a waiver, and so, that kind of brings us to the last action item here, which is the difference between preventing corrosion, preventing spills, and monitoring for spills. If we look at the days leading up to the Refugio oil spill, the affected pipeline section was actually inspected, and the inspectors failed to flag the issue, and several days later, that area ruptured. So, you know,

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the concern here is, if you're not going to actually prevent the corrosion, are we really comfortable with a system that just involves monitoring and was not effective in preventing the last oil spill? Thank you very much.

CHAIR CAPS: Thank you. Okay, we'll move on to rebuttal from the applicant. Ten minutes.

MS. STEBBINS-BINA: Good afternoon and thank you for your patience with this process today.

CHAIR CAPS: Sure.

MS. STEBBINS-BINA: Reasonable minds can and do differ about whether it's better to restart domestic oil production or to import foreign oil, with all of the complications that involves, and people of good faith feel very strongly one way or the other about restart, about

the fate of oil in California, in the United States, and Santa Barbara County. All of that is very fair and there are many, many different and good faith views, but that's not why we are here today. We are here today on a very narrow issue: whether or not to transfer permits, and while we've heard a lot about the claimed intent of the statute, ultimately, this county and this board is bound by what the statute says, not a draft, not someone's idea of what it must have might… it must have meant, and that draft, and that final enacted statute simply does not permit the kinds of sweeping changes that appellants have proposed today. It does not permit additional funding for abandonment. It does not permit any kind of additional funding. It only requires compliance with the permits, and county staff has confirmed repeatedly that no additional funds are due. It is not a sweeping inquiry into operations and abandonment. That language was proposed and was not in the final statute. Rather, the only insurance and financial guarantees that are permitted to be considered are those that were submitted to and relied upon the director to make the findings that have since been appealed. There is no legal basis for any additional requirements. I do want to address some of the specific comments today. First, with respect to experience. While Sable is a new company, as you've heard repeatedly, this management team has been operating for 25+ years, including in this county for many, many years. You've heard testimony from a number of people who are currently working on the pipeline, many of whom worked for ExxonMobil as well, and you've heard them attest to Sable’s capabilities, it's safety-mindedness. I don't think there's

any genuine dispute that Sable has the experience and skillset to operate these facilities. We've already talked about finances. There isn't anything required in the statute that has not been provided, but nonetheless, Sable has demonstrated already $435 million in insurance, which is more than twice the cost of the direct costs of the 2015 spill. It was not 850 million in direct costs. It was about a $100 in direct costs, and then some additional, about $230 in settlements with landowners and fishermen and folks of that nature, but it was not $800 million in direct cleanup costs, and Sable's insurance of $435 million that will go to $535 million upon restart is more than adequate, setting aside the $350 million they have in cash and their $2.6 billion valuation. With respect to cathodic protection, it is in place on the pipeline. It is also within the exclusive jurisdiction of the office of the State Fire Marshal, as this board has confirmed in the Celeron settlement, and as this board confirmed again last year in the valve settlement there is no jurisdiction over the county over pipeline safety. With respect to CEQA, again, 18 months ago, when ExxonMobil acquired this very permit from Planes, it was determined to be not a project, and that is a correct determination, because it is only the transfer of the permit paperwork. Every other part and parcel of this restart process is outside the hands of the county, and I know that that is a frustrating situation, but it is the truth, and the reason

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the broad version of the statute that was contemplated probably was not enacted is that it would've been patently illegal. It would

have removed vested rights. It would have been preempted by federal law and by state agencies. The ability of this county to regulate this space is narrow, and while that might be a difficult truth, it is the truth, and we talked about the NOVs extensively with the Coastal Commission earlier. There have been a mention of a few others with respect to the Department of Fish and Wildlife and the Water Board. There were inadvertent issues there, and contrary to what you heard today, it is not the case that Sable ignored a notice of violation. In fact, they have submitted habitat modification plans, and they have applied for permits with those agencies, and they are in ongoing discussions with those agencies. It is not the case that they have simply been ignoring it, and with respect to the Coastal Commission, again, the county confirmed, in writing, that the Coastal Commission… that no further permits were required. We've also heard about a draft EIR, I think, again, that's been addressed, but it was for an unrepaired, un-valved safety valve protected pipeline, not the pipeline that is going to exist. It was never submitted through proper review, and it is not a basis for accurately assessing Sable's spill potential. Again, the pipeline spill potential is in the exclusive jurisdiction of the state Fire Marshal, but it is substantially reduced over what it was in 2015. With that, I will turn to my colleague for some closing thoughts.

MR. RUSCH: Madam Chair and supervisors, we just had a few closing comments. EDC and CBD and other activists don't own the sole right to say they can protect our precious beaches. We and all the

people you've heard supporting our efforts also have a right to protect our environment and earn a living. Those two things are not mutually exclusive. The very qualified pipeline construction crews, which we've heard from today, are helping make the Los Flores pipeline like new to protect their beaches, our beaches, and they're doing it for everyone to enjoy the benefits of safely producing a California source of low-carbon crude oil, oil that will reduce greenhouse gases globally by 100% or more, even after the local SYU co-gen plant comes online. It is disingenuous and self-serving to claim otherwise, and while they may believe the world ends at the Santa Barbara County line, we're all in this together, and Sable intends to be a prominent part of the Santa Barbara County community for decades to come. We will be excellent operators, we will be safe operators, we will be great neighbors and friends, and we'll be supportive of the many organizations that help make Santa Barbara one of the greatest places to live and work. I say this as a native Californian. I say this as a longtime resident of the Tri Counties. I say this as part of the management team who will ensure our commitments are met. Accordingly, I ask that you approve this straightforward and narrow decision to approve the permit transfer. Thanks.

CHAIR CAPS: Thank you both. Any questions from my colleagues before we turn it back to staff Supervisor Nelson, did you have a question?

MR. NELSON: Well, I'll have some questions for staff. I'll let them speak first.

CHAIR CAPS: Okay. All right. So, Director Plowman, I leave it to you to address anything you'd like to address, or Mr. Briggs, or Ms. Ibarra.

MR. BRIGGS: So, Madam Chair and members of the board, we did want to clarify one issue that's been discussed today, and that is the requirement for abandonment and responsibility for abandonment, and this is in Chapter 25B, section 25B4I, and it's titled Liability for Abandonment, and I'm just going to read one sentence. The current owner or operator, as determined by the records of the director, of a facility subject to this chapter, shall be responsible for the proper abandonment of the facility. If the director determines that the current owner or operator does not have the financial resources to fully cover the cost of abandoning the facility, the immediately preceding owner operator shall be responsible for the cost of abandoning the facility. So, in essence, this provision here would hold Exxon on the hook and be responsible for abandonment in the

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case that Sable is not able to follow through on that responsibility.

CHAIR CAPS: Anything else?

MR. BRIGGS: No.

CHAIR CAPS: No. Okay. So, now I just want to, before we maybe move to deliberation, if there's any questions from my colleagues. Supervisor Lavanino?

MR. LAVAGNINO: Sure, I've got one. You know, we keep going over 25B. What did 25B mean? What do other counties do? How many other people have a process like this, because…?

MR. BRIGGS: So, Madam Chair and Supervisor Lavanino, in our preparations for this item and just generally researching this process, we have not been able to find any other city or county or state jurisdiction that has a similar process, and in fact, other jurisdictions, like City of Huntington Beach or the City of Long Beach, who do have similar oil and gas assets, what they require is that the operator make the fire department aware of a change of owner operator and essentially provide, you know, contact information. There's no formal discretionary process that they go through that would be similar to 25B.

MR. LAVAGNINO: Okay, thank you

CHAIR CAPS: Supervisor Nelson, you had a question, right?

MR. NELSON: Yeah, a few questions. I guess my quick first question for staff was I just want to make sure I understand about additional technical oversight from other… I heard the Fire Marshal. What else is out there? Obviously, there's federal agencies. Could you maybe just kind of enumerate those again for me, so they're fresh in my head as I deliberate on this, the pipeline and the facility?

MR. BRIGGS: Supervisor Nelson, could you clarify what it is that you're asking?

MR. NELSON: Yeah, I'm sorry. I'm just trying to make sure, I know the state Fire Marshal is one of the agencies that is going to be

looking at this moving forward before we start. What are the other agencies that will be looking over these issues?

MR. BRIGGS: Okay. So, to answer your question, I think you're asking about restart, correct?

MR. NELSON: Yeah.

MR. BRIGGS: Yeah. So, it would be primarily the Fire Marshal who is responsible for overseeing restart of the pipeline, and then Bowman Bessie would be overseeing the restart of the offshore platforms.

MR. NELSON: Are those federal agencies, or are those state agencies?

MR. BRIGGS: Those are federal agencies, and then the county, we would be responsible for overseeing activities at the San Nunes unit onshore facility. The Fire Department would be a part of that, of course, APCD… no, there may be others that don't immediately come to mind, but those are the major ones.

MR. NELSON: That's helpful. Most of those agencies, or all those agencies, they have engineers and scientists that are involved in this process to look over these plans?

MR. BRIGGS: Yes, we do.

MR. NELSON: Okay, great, and again, most of this kind of lays on the shoulders of the Fire Marshal, and maybe you don't know his staff, but maybe counsel might know or somebody else, but the Fire Marshal, the state Fire Marshal, how's that position obtained? Is that an

elected position, or how's that work? Does anybody know, State Fire Marshal Marshall?

MR. BRIGGS: I personally do not know.

MR. NELSON: Okay. I mean, ChatGPT tells me it's the governor that appoints. Okay, I mean, ChatGPT could be wrong, but the reason… so, that's somebody that was appointed by Gavin Newsom, I assume, right? I mean, if that's correct. Just wanted to clarify that, and then as far as the Coastal Commission with their cease-and-desist order, they have the opportunity to go to court and stop the ongoing actions out there, right, if they wanted to?

MR. BRIGGS: I believe they do.

MR. NELSON: And they haven't done that at this point?

MR. BRIGGS: Correct.

MR. NELSON: Okay. Interesting. All right, those are my questions.

CHAIR CAPS: Okay. I think that we are done with questions, and so, then now, it's time for the board to deliberate, and Supervisor Nelson, just make sure we hear you if you need to weigh in here, because I would like this to be as collaborative as possible, or we could just, if someone's ready to speak, we can do that too.

MR. LAVAGNINO: Well, I think everybody is ready for me, right?

CHAIR CAPS: Okay, there you go.

MR. LAVAGNINO: So, an oil spill is one of the most traumatic events that can happen to a community. We all lived through it. Some… let's see, I guess I was five the first time. So, I don't think I

remember too much about the first one, but so, I understand why so many people have expressed themselves so passionately today, and whether I disagree with you or

[07:10:00]

agree with you, I want to thank everybody for being here and being as considerate as possible to everybody else in the room and for most of you to us as well. I also want to thank our staff. This is… these, items like this that really divide the community and get everybody fired up. It's very difficult for them. They have to sit through many public meetings. You know, they're not… they're trying to look at this just as an umpire. Whether it's a ball or a strike, they're not trying to weigh in on their personal position, you know, their preferences. So, and county counsel's office as well, as well as planning and development, done an outstanding job. For me, it's interesting, because there's no project, really, here to be approved or denied, and I think the other thing that's strange is that we don't regulate this pipeline. So, then you sit here and say, okay, well what are we doing here today, and as much as some would like to expand the scope of this hearing, my job today is to determine really whether or not this applicant meets the requirements 25B, not what we wish it said, not what the draft copy stated, not what some retired employee thought, but what it actually says, and a speaker asked us to consider what was the intent of the staff when they wrote it, and after seeing the draft and after seeing the real part, it's… being here for a while, I'm sure staff and maybe even the board wanted it to be stronger, and I

would assume then county counsel reviewed it and realized maybe there were parts of it that possibly were illegal. A woman asked today, and I think she summed up the thoughts of so many today, was she's asking us, rhetorically, do you stand with the people, or do you stand with big business, and in my mind, I realized that's when I came to the conclusion that I'm not on either side. We have to stand by the law. This pipeline was legally permitted, and as we heard, and in any other county, this change of ownership would've been a simple checklist signed off by the Fire Department. So, the reason why you're here today and so passionate is because the actual regulating agencies that have jurisdiction have basically ducked their responsibilities, and they will not hold a public meeting and let you have… vent your frustrations. So, unless there's an organization that I'm waiting for that wants to step up and indemnify the county against the lawsuit, I will be absolutely supporting the planning commission and our staff recommendation.

CHAIR CAPS: Thank you, supervisor Lavanino. Supervisor Lee?

MR. LEE: Thank you. Thank you, chair. When I came in this morning, around 7:00, I saw hundreds of people were outside. So, I want to say thank you for being patient and being here and sitting through this. My takeaway of all this is: we have a pipeline that leaked in 2015, that devastated our environment, our coastline, economy, and killed so many wildlife, and we want to restart it. To me, that's an insane idea. That's a very bad idea, but yet, we are having this conversation right now. After considering listening to the

appellant and Sable and listening to the public, and I came to conclude that I support upholding the appeals, because that's the right thing to do, and that's where I'm at. Thanks.

CHAIR CAPS: Thank you, Supervisor Lee. Supervisor Nelson, would you like to go next?

MR. NELSON: Yeah, thank you. Thank you, Chair Caps. I appreciate the opportunity, and I want to thank the public too, and I just want to let sure everybody in the room understands that I have this meeting in Washington DC on behalf of the county scheduled before this hearing. I would've loved to be there in person, and I wanted to thank all the staff and my colleagues and the public for braving a long day that's not quite over yet. The first point that I wanted to make… to focus in on was the idea of this sometime legislative intent for Mr. Day. You know, legislative intent doesn't go down to the staff member that writes the ordinance. It's the first draft that goes to the board, and the board deliberates, and then we give board legal opinions, and then we talk among each other, and then we, as a body, elected body by the citizens or the voters of Sambar County, we're the ones that have the legislative intent there. So, you know, that whole issue there and from Mr. Day, you know, just didn't hold water for me on what 25B is maybe supposed to mean, or what it was intended to mean.

[07:15:00]

The other issue that I have, I'm concerned about is the Coastal Commission. I think we all in the room don't always agree with agencies. You know, I might disagree with the state agency. I'm sure

there's people in the room that might be disagreeing with some federal agencies, and sometimes, they get it wrong, and I think that this is the case here, both Coastal Commission, and I think if they truly believe that they needed a permit, that they would've taken Sable to court by now to stop, get a stay in place, but I do think this has gotten political. It's not the first time the Coastal Commission's gotten political. They got politically recently with Vandenberg Space Force Base, and this is unfortunately another black eye. I feel bad for most of the speakers who have been here, and they were told that today, well, that the decision will impact the restart. I have to bury the lead. It won't. No matter what happens here, the decision here won't make that difference. This is political theater, and in some cases, gaslighting. It's asking me to think that many of the young people that showed up will believe that their government doesn't care or didn't listen to them. This is about politics, not the environment. This is about the dislike of oil, not law and science. If it was really about the environment, we would've seen people come out in droves a year ago when we had untreated sewage, ten times the amount of the Refugio oil spill, spill into the Pacific Ocean, and it barely made a week's worth of news. This is about oil. The appellants don't care about the liability. This is subterfuge. They opposed the trucking. They opposed a new pipeline, they even opposed safety valves, and now, they're opposing the transfer of a name on a permit. They will stop at nothing for the restart of the oil operations, and for me, that sounds a lot more like religion and politics than law and science. For me,

I'm compelled by the engineers and the scientists and the legal experts at the county, at the state, and the federal government, and I will support the [PH 07:17:09] PC and the staff recommendations to deny the appeal and approve the transfer of the permit.

CHAIR CAPS: Okay, thank you. Like Supervisor Lavanino, I was a little kid after the oil spill of 1969, and it's actually the reason why I went into a world of politics and advocacy. It was the first issue that really struck me. My parents were very engaged, would take me to early rallies, early days of Goo, and all of the activism that sprouted up, and obviously, the birth birthplace of Earth Day. So, I just have to say that I really appreciate how everyone's hung in here today in such, again, such a conducive, collaborative way of respect. I mean, this was a marathon, and I have to say too, I'm so proud of UCSB and our gauchos for showing up in such force. I had no idea. I mean, I shouldn't be surprised, but they just one after one after one really putting your future where your heart is by speaking so eloquently, and by being here and being so dedicated. So, thank you. It's an honor to represent you. It really is, and it has been stated. This is our one shot. I agree. I do agree with my colleagues, even though I'm not going to vote with them, this is not fair to the public that this is the one shot that you've all had here in Santa Barbara, where we experienced a devastating spill in 2015, and this is what you get, a technicality on a permit change for a hearing, because there's so many layers. It's designed to be completely confusing. It's designed to be completely in favor of big interests, big, powerful

interests with lobbyists and influence, so that we don't know why things are being decided the way they are. We don't know why things are not moving forward. This was this one chance, and it's extremely… I agree with you. It shouldn't be… it's not fair for some folks to walk out of here and think, okay, we stopped the pipeline, or we started the pipeline. That is not what we're doing here, and that is completely unfair. But there are too… so, even within the narrow confines of what we're actually doing here, there are too many red flags, because we are, this is about fiscal oversight, and we do sit up here with a fiscal responsibility of a budget of $1.6 billion annually, and to me, it's too risky to have an applicant that was formed when a major company decided that having this pipeline was potentially too risky. So, then it's just too, it's just… as I said earlier, it's fishy to me

[07:20:00]

that you would sell a pipeline to a new company that doesn't have the funds for it, and again, maybe this is extremely common, but it doesn't pass my smell test, and then loan them the money. If they had wanted to show the insurance policy, they could have, and so much has been made over the last several months about this policy. Why not just show it? Why not just go above and beyond the checklist? That is another red flag for me. Compliance with the Coastal Commission is another red flag for me. Why have a cease and desist? Why not just cooperate with this governing body? So, really, what we're looking at is fiscal stability. That's what we're charged with trying to do, and

there are far too many flags. It was said by Mr. Day, in his interpretation of the ordinance that he wrote, that it's a gamble. This was not meant to be toothless. Our job, I get the tension of what we're being asked to do, but I do feel I was elected to look at the big picture and to extrapolate of what we're actually doing here, and I cannot, in good faith, say that this transfer gives me reassurance of fiscal stability. So, I will be voting to uphold the appeal. So, let's do a roll call vote. A motion. So, I would need a motion from somebody.

MR. LAVAGNINO: Well, this is going to be weird.

CHAIR CAPS: We can just do two.

MR. LAVAGNINO: Yeah. Okay. Why don't you guys do your questions?

CHAIR CAPS: Wait, well, I'll go [INDISCERNIBLE 07:21:37].

MR. LAVAGNINO: Yeah, because I'm trying to find the language.

CHAIR CAPS: I could make a motion. Thank you. We have our most…

MR. LAVAGNINO: Yes. All right, I will move staff recommendations A through D.

MR. NELSON: I will second that motion.

CHAIR CAPS: So, then, Madam Clerk, when you're ready, we'll do a roll call vote.

MR. LAVAGNINO: Pins and needles.

CLERK: Supervisor Lee?

MR. LEE: No.

CLERK: Supervisor Nelson?

MR. NELSON: Aye.

CLERK: Supervisor Lavanino?

MR. LAVAGNINO: Aye.

CLERK: Chair Caps?

CHAIR CAPS: No.

CLERK: Motion fails two to two.

CHAIR CAPS: Okay. Well, then I'll make an alternative motion to uphold the appeal. Is that sufficient as a motion? County counsel?

COUNTY COUNSEL: Madam Chair and members of the board, so, the record does not actually contain the findings to deny the appeal or to uphold the appeals. So, my recommendation would just to go ahead and do a conceptual motion, so we can see where the board stands, rather than develop the findings. It sounds to me like we might not need to get that next step. So, I just recommend doing a conceptual motion. We'll see where we stand, and then we can decide next steps.

CHAIR CAPS: Even though I think it's rather clear, but we'll do a conceptual motion to uphold the appeal. I make that motion.

MR. LEE: I'll second.

CHAIR CAPS: Okay, roll call vote, please.

CLERK: All right. Supervisor Lee?

MR. LEE: Aye.

CLERK: Supervisor Nelson?

MR. NELSON: No.

MR. LAVAGNINO: Supervisor Lavanino?

MR. LAVAGNINO: No.

CLERK: Chair Caps?

CHAIR CAPS: Yes.

CLERK: Motion fails two to two.

CHAIR CAPS: All right, two votes, two to two.

MR. LAVAGNINO: [INDISCERNIBLE 07:23:49] open Monday, Wednesday, and Friday.

CHAIR CAPS: Okay, that concludes. I know that's maybe a potentially odd result for all of you, but I appreciate everyone's participation and my understanding, I don't know if I can interpret what two-two does. County counsel, if you could?

COUNTY COUNSEL: Madam Chair, members of the board, so, in order for the board to take any action, the board needs a majority vote. So, it's every action we take, it's at least three votes, and sometimes, it's four votes. You saw that earlier. So, on a tie vote, that's no action of the board.

CHAIR CAPS: There we go. Thank you, everybody, for participating in that action, departmental item number one. Thank you.

[CROSSTALK 07:24:58]

[07:25:00]

[07:30:00]

CHAIR CAPS: All right, we are back. County counsel, will you please read out from closed session?

COUNTY COUNSEL: Thank you, Madam Chair. The board met in closed session on one item, which is conference with labor negotiators for

Santa Barbara County Deputy Sheriff's Association, and the board took no reportable action.

CHAIR CAPS: Okay, thank you. Now, we will move to item number D2.

CLERK: Two Chair Caps and members of the board, departmental item number two is from the public health department. It is a hearing to consider recommendations regarding the Santa Barbara County Health Center Board 2024 annual report.

MOHANED: Good afternoon, Madam Chair and supervisors. It seems we chose the right time to come to you and present this report, and judging on the next item that you have to also tackle, it seems that we'll provide you with a little bit of relief. So, we're happy to be that cushion in between. I'm glad to present to you the annual report of our health centers. As you know, the health centers are what are called federally qualified health centers that have their own board. Earlier, we had the chairwoman of our health centers' board with us. Unfortunately, she couldn't make it back, Cynthia [PH 07:33:18] Aguerro, but I'm happy that with me is Dr. Preciado, who is our Chief Medical Officer, as well as Dana Gamble, who is our Deputy Director for clinical care. So, today, we will update you on the performance of our health centers and the progress that has been made, as well as some of the new projects and initiatives that we have that are improving healthcare and healthcare delivery for our patients in addition to our roadmap towards Cal AIM and enhanced care management. It's been quite a journey, 35 years celebrating healthcare for the homeless. In ’89,

the county applied for a grant through HRSA, the federal entity that provides FQHCs, and initially, it was to provide healthcare for the homeless in Santa Barbara County. That started with three public health nurses and a county van that would go and deliver services. This evolved to now encompass five stationary health centers that are across the county, from Carpentaria all the way to Santa Maria, in addition to three clinics that are in homeless shelters, that are based in homeless shelters. We still are true to our vision and our mission. We still serve the majority of the homeless in Santa Barbara County. We served, last year, almost 2,000 people that are experiencing lessness, of which 450 people were at over the age of 60, 89 were children, and almost 1,000 were women.

[07:35:00]

Almost three-quarters of those that were served were insured by Medi-Cal, and the rest were uninsured. I'll hand it to Dana to walk us through some of the statistics of those that we serve at our clinics.

DANA GAMBLE: Thank you, [PH 07:35:18] Mohaned. Thank you, Chair Caps and the board of supervisors. We are so excited and honored to be here today to share with you some of the highlights from 2024 and our health center program. So, who we serve, we represent each area of our county. We're serving predominantly those who are at 200% of poverty or below, and the significant majority of our patients are at or around 130% of poverty. We served over 23,000 patients last year, and this is a bit of an increase from the two years prior. Of our patients, 96,000 were male, 13,000 were female, and 5,777 were children under the age of

18. 2,800 of our patients were 65 years or older. On the other slide, we also talked about the number of visits, and our visits were increasing significantly over the last couple of years. Following the pandemic response, the number of visits were just slightly over 100,000 visits, all told, and currently, at the last half of '24, going through the rest of this fiscal year, we estimate we'll be at about 106-107,000 patient visits. Our financial performance, we rely on public insurance plans, Sen-Cal, Medi-Cal being our largest payer, with Medicare being our second-largest. The majority of our patients are covered by Medi-Cal, 76% of our patients, and this drives our revenues for the Health Center Program. Last year, we raised about almost $62 million in revenue, and this matches our health center expenses, equaling the same amount. We are required to have a balanced budget at the end of every fiscal year, and so, that's why you see those dollar amounts perfectly matched. With our clinical services, we rely heavily on data, and for data, we track visits, we track finances, we track patient satisfaction, and we're very pleased with last year's patient satisfaction data, where our overall satisfaction scores are higher than comparable FQHCs in California, in the entire Western region, and in fact, across the United States. So, we are very pleased that we are able to meet the needs of our patients, and that they demonstrate that when they're reached out to ask how things went. Dr. Preciado will now talk about some of our new services and projects.

DR. PRECIADO: Good afternoon, Madam Chair and board of supervisors. This is my first time presenting. So, if you hear a

little bit of a quiver, it's a little bit of nervousness, but other than that, I'm really happy to be here. I'll be talking about some of the services we offer at our healthcare centers. The first one is improved care delivery. We implemented team-based care this past year. Team-based care actively engages our patients in full participation in their care. It allows for all staff to function to the full extent of their education, certification, licensure, and experience. It enhances how healthcare teams work together. It positively influences patient experiences, and it prioritizes preventive care and health promotion. The goal of team-based care is really to increase communication amongst teams to deliver quality patient care. Another project that

[07:40:00]

we're really excited about is our behavioral health services expansion. The HRSA awarded, the Public Health Department, the Behavioral Health Services Expansion Award to help launch and expand mental health and substance use disorder services in our healthcare centers and shelter-based clinics. It includes telepsychiatry, which services 16 hours per week, four-hour sessions rotating through our health centers and our shelter based clinic locations in Carpinteria, Santa Barbara, Santa Maria, and Lompoc. Our third project, and not our last, but that I'll be presenting, is on our medically assisted treatment for substance use disorder. So, we have… we are providing MAT at all of our healthcare centers. We have MAT champions, so to speak, at each center that bring, take in patients who have substance use disorders and provide care. We have appropriate and consistent

testing processes in place, namely urine drug screens that we ensure are provided. We do cures. We check the database for their, you know, history of drug use. We provide patient treatment. Access is constant at all our healthcare centers. We have resources for our clinicians to access. We have harm reduction resources, such as Naloxone, and our program development is such that we have quarterly MAT meetings amongst the providers at all healthcare centers.

MOHANED: If I may add to the significance of the behavioral health expansion grant that we got, is that it truly compliments, and it bridges the efforts that behavioral wellness is currently doing. In the past, we weren't able to be the bridge and the step down or the step up if needed, because we did not have the psychiatric services, but now, with psychiatry on board, then we are able to integrate better, and this would also pave the way for us to be an integrated and coordinated effort towards Cal-Aim. So, that's something that is very exciting that we are embarking on.

DR. PRECIADO: Thank you.

DANA GAMBLE: Thank you, Dr. Preciado. Thank you, Mohaned. So, last year, at the start of the year, Medi-Cal expanded to cover all age groups who otherwise were eligible for Medi-Cal financially. So, what this meant for us was that those that were previously uninsured, age 26 to 49, now had Medi-Cal coverage, and so, people did not have to worry about accessing care because they couldn't afford it. They now had coverage, and with this rapid expansion, we went, we saw an increase of nearly 10% of Medi-Cal members in one month's time. So, that is a

great benefit for the patients, and also, because of Medi-Cal being our primary payer source, it was a great benefit to our revenues as well. Finally, last year, after a couple years of working towards it, we finally implemented our ECM, enhanced care management component of Cal-Aim at the healthcare centers, and this is an exciting move forward for people with Medi-Cal and for those who serve them, as it ensures care management for someone beyond just their healthcare needs. So, if a patient of ours has a tenuous housing situation, or is in need of childcare or some other kind of resource that they're lacking, we are now reimbursed to do that care management, to ensure that whatever else is going on in their life does not prohibit them from coming into the clinic for healthcare. We ended up the year with 61 cases assigned to us, and actively case managing 31 of those people. So, that's a fantastic move forward. Collaborations and partnerships, we couldn't do the work that we do at the

[07:45:00]

healthcare centers without our collaborations and partnerships. Two that are noteworthy, especially noteworthy here today, one is related to ECM. There was a large grant opportunity provided by the state, and Public Health collaborated along with American Indian Health and Services and Cottage Health to apply for that grant. Nearly $2.5 million dollars was the funding available, and that's the funding that we received. The Public Health Department was approved for a total of $1.2 million, and we brought that grant to this board, I think, in December, and you accepted that funding for the county, and we have

since gone on to recruit for two RNs, one administrative office professional, and one departmental business specialist, that will help assist our ECM Cal-Aim efforts. The departmental business specialist will be instrumental in ensuring that the CARE Everywhere and the other shared data components of Cal-Aim are available and functioning across, across systems. The second collaborative partnership is with ATSU, the PA school up in Santa Maria, physician assistant, and we are working with them as a trainer of their students. They're coming in for rotations through Santa Maria and through Lompoc Healthcare Center. So, that's a huge benefit to the students, but also, to us, to our patients, and insurers that as students graduate, and they want to stay local, that they will be aware of the work that we do, and we will use that as a recruiting pipeline in addition. So, wonderful, wonderful partnership. Mohaned?

MOHANED: So, we are very excited about future opportunities as well. There is an expansion through Syn Cal to now look at those that are duly eligible, those that are on Medicare and Medicaid, a program that's called DSNP, that we are partners as well, as we are going to expand. That is going to increase our scope of services and capture those that also needed, and they have a much-needed care coordination and case management. We also are involved, as you all know, in the Cal-Aim Justice Involved, and specifically providing enhanced care management as the county provider, and we are looking at opportunities to be more efficient. So, we are looking at technology solutions as well as some AI tools that would improve our performance as well as

patient outcome, and we certainly understand the challenges of recruiting and retaining at our workforce. So, we're investing in our workforce development as part of our strategic plan. With that, we ask that the board receive and file the Santa Barbara County Health Center Board annual report for 2024, and determine that it is not a project within the CEQA. Thank you.

CHAIR CAPS: Thank you so much. Thank you to all of you, especially Dr. Preciado. Welcome to the county, and you did a wonderful job. So, any questions from the board? Supervisor Lavanino?

MR. LAVAGNINO: Thank you. I don't have a question. Just comment, your patient satisfaction scores. I don't know what you guys are doing different than everybody else. Is there any…

DR. PRECIADO: We're great doctors.

MR. LAVAGNINO: Yes, okay, great. Good answer, but what I really wanted to focus on was just your… you really need to be applauded for your outreach to ATSU, and how that's really going to affect the Santa Maria community, because AT still, their model is taking people into underserved communities, and then they're trained there, and then they actually stay there. So, this is such a great opportunity for them and for you. This thing is such a great collaboration. There's probably 100 ways that it could fall apart and not work, and there's really only one way that you can make it work, and so, I'm really proud of the fact that you figured out a way to make it work, and I hope it's successful into the future.

DANA GAMBLE: Thank you.

CHAIR CAPS: Yeah. Oh, yeah, Supervisor Nelson.

MR. NELSON: Yeah, thank you, and I just wanted to echo Supervisor Lavanino's praise about your collaboration with AT [INDISCERNIBLE 07:49:55] University. It's one of the best kept secrets in our county, and ultimately, our relationship with AT still

[07:50:00]

is hopefully going to lead to some greater health outcomes for our entire community, and so, we're excited that the county's partnering with them and looking forward to other opportunities in the future for us to continue to find ways to work with them. What I wanted to also look at was the financial performance. I think it might have been slide five, and you had some various numbers up there, and I just want to kind of go over those just briefly to better understand, you know, how it's all funded, and I see down there, on the revenue side, local and state funds. So, is that state dollars? Is there a general fund in there? I wanted to better understand that as a percentage

DANA GAMBLE: Supervisor Nelson, through the chair, thank you. Great question, and so, no, there's no general fund that comes back to support the healthcare centers. Local funds, we have a revenue agreement with the state that comes down through [PH 07:51:10] Sen-Cal and comes back to us in portion. So, those count as local funds. We also have a fund balance that we, when we have good years, it helps to fund the leaner years, and so, we use the fund balance, and that's also

considered local funds, but no general fund is in the health center program.

MR. NELSON: Well, I think it's important to get that out, because I think sometimes people think about these things and wonder where these dollars come from and what are we not doing that was maybe a general fund that were, potentially, the general fund is subsidizing services such as this, and it's… I think it's good for the public to understand that the general fund isn't subsidizing this, that it's self-sufficient already with the other tax dollars it gets from other agencies and state and federal funds. I do see in there, you know, 11% are uninsured, but only 2% of our revenues come from self-pay. Can you help me with that?

MOHANED: Yes, uninsured are those that do not have any insurance, and self-pay, as part, as being a federally qualified health center is that it is not a free clinic. So, patients should be paying any portion of the cost of care, but on a sliding fee scale, and this is what is considered self-pay. Sometimes, they cannot even afford that, and this is where it goes into uncollected or bad debt, but in general, the model for FQHC is that anybody who walks through the door is receiving healthcare. If they have insurance, we're able to build their insurer. If they do not, then they have to pay based on family income, number of… it's called a sliding fee that keeps updated by the federal government every year, and this is what we use.

MR. NELSON: Okay, and to that extent, you know, in theory that 11% of uninsured, that generally exists, right? I mean, those are

people that probably qualify for Medi-Cal, but haven't applied for it yet? Is that what I may be seeing, and in that case, do we help some of those people get those coverages that they need to need to move forward?

DANA GAMBLE: Yes. Thank you, Supervisor Nelson. That's, we are… every uninsured person that we identify when they come in, we are working to establish them with some type of payer source, and so, we have front office staff that are certified enrollers, and they're working with Department of Social Services to get people into Medi-Cal if they haven't done that already.

MR. NELSON: Okay, and just from an experiential point of view, is that usually what the case is, that they're often, they qualify but haven't gone through the paperwork yet?

MR. RUSCH: There are those. There are others that let their coverage lapse, and they didn't know they were going to get sick, and so, they come in, and then soon after, they are on Medi-Cal.

MR. NELSON: Okay.

MOHANED: We are seeing, Supervisor Nelson, we are seeing, based on reviewing past years, we are seeing a downward trend in self-pay and an increase in those that are on Medi-Cal, and we believe that that is part of why we are seeing that trend, is that they are qualifying and getting enrolled as well.

COUNTY COUNSEL: Okay. Thank you all for those answers. Appreciate it.

CHAIR CAPS: Supervisor Hartman?

MS. HARTMAN: Well, I just wanted to note that the high satisfaction numbers come with an expanding population and a lot of expanding responsibilities, including enhanced care management and Cal-Aim. So, I think that speaks volumes for how effective you are and just wanted to note that.

[07:55:00]

MOHANED: And I have to give credit to everybody that works at our centers, from the frontline towards our physicians. We have a great team that are so dedicated, that against all the challenges that we have been experiencing and against everything that the national landscape is experiencing when it comes to this type of healthcare, they are the most dedicated team, and I'm so proud that we have them on board.

CHAIR CAPS: Yeah, I just wanted to also add my appreciation. I was really happy to see this report and to just see how accessible you're making our work and bringing it to people, especially our most vulnerable. So, thank you very much for the work.

MOHANED: Thank you.

CHAIR CAPS: I think we need a motion. Oh, public comment on this.

CLERK: Chair Caps and members of the board, I would like to note, for the record, we have no request to speak on this item from the public.

CHAIR CAPS: Okay. Okay. Then I will… Supervisor, Hartman, you ready?

MS. HARTMAN: I'll move AB in today's staff report.

MR. LAVAGNINO: Second.

CHAIR CAPS: Got a second. Okay. So, we'll do a roll call with Supervisor Nelson.

CLERK: Supervisor Lee?

MR. LEE: Aye.

CLERK: Supervisor Hartman?

MS. HARTMAN: Aye.

CLERK: Supervisor Nelson?

MR. NELSON: Aye.

CLERK: Supervisor Lavanino?

MR. LAVAGNINO: Aye.

CLERK: And Chair Caps?

CHAIR CAPS: Aye.

CLERK: Motion passes unanimously.

CHAIR CAPS: Okay. We are now moving to our final item of the day, which is department item number three. Thanks to our health team.

CLERK: Chair Caps and members of the board, departmental Item number three is from the Human Resources Department. It is a hearing to consider amendments to the compensation ordinance and resolution for elected officials, and Chair Caps…

CHAIR CAPS: I know.

CLERK: …Members of the board, I do have a brief announcement on this item before we proceed. Pursuant to section 54953C3 of the government code, prior to taking final action, the legislative body

recommendation was then. Okay. I'm comfortable with that. I'll make that my motion, that we move forward with staff recommendation, then.

MS. HARTMAN: I will second.

CHAIR CAPS: Okay. Excellent. All those in favor, o…, let's see, we need to do a roll call. Our last one of the day, it's 6:11.

CLERK: Supervisor Lee?

MR. LEE: Abstain.

CLERK: Supervisor Hartman?

MS. HARTMAN: Aye.

CLERK: Supervisor Nelson?

MR. NELSON: No.

CLERK: Supervisor Lavanino?

MR. LAVAGNINO: Aye.

CLERK: And Chair Caps?

CHAIR CAPS: Aye.

CLERK: Motion passes three-one-one.

[09:25:00]

CHAIR CAPS: Okay. With that, we will adjourn this lengthy but productive meeting of the Santa Barbara Board of Supervisors. We will be back next Tuesday, here in Santa Barbara.

MR. LAVAGNINO: I'll be back down here…

I, Anders Nelson, do hereby certify:

That I supervised the transcription and proofreading of the foregoing in a remote location at the time and place herein set forth; that the proceedings were transcribed through computerized transcription; that the foregoing is a true record of the proceedings taken to the best of my ability to hear and understand the speakers; and that I am not interested in the event of the action.

Witness my hand dated May 2, 2025.

Anders Nelson
Anders Nelson (May 2, 2025 12:38 EDT)
_____

Anders Nelson

Project Manager

TransPerfect Legal Solutions

May 2, 2025

EXHIBIT 9

Governor's Office Emergency Services

Hazardous Materials Spill Report

DATE/TIME: 2025-Aug-06 15:02	RECEIVED BY: xxxxx	CONTROL#: 25 - 3908 NRC#:

1.a. PERSON NOTIFYING Cal OES:

1. NAME:	2. AGENCY:	3. PHONE#:	5. PAG/CELL:
xxxxx	Sabel Offshore Co.	xxxxx	xxxxx

1.b. PERSON REPORTING SPILL (If different from above):

1. NAME:	2. AGENCY:	3. PHONE#:	5. PAG/CELL:
xxxxx		xxxxx	xxxxx

2. SUBSTANCE TYPE:

2 a. SUBSTANCE:	b. QTY / Amount	Measure	Rate	c. TYPE:	d. OTHER	e. PIPELINE	f. VESSEL >= 300 Tons
Hydrochloric Acid (HCL)	= 280	Gallon(s)	N/A	Chemical		No	

g. DESCRIPTION:

Per the reporting party: Some 3/8th tube fitting's failed causing a release of the material to spill out onto the ground at an industrial facility. This material was isolated to the ground only, with any nearby storm drains being blocked off before any material could enter. No additional surfaces or waterways were impacted. The release was controlled and a cleanup crew was being equipped with proper PPE to conduct cleanup.

h. STOPPAGE/ CONTAINMENT:	i. i WATER INVOLVED:	j. WATERWAY:	k. DRINKING WATER IMPACTED:	l. KNOWN IMPACT	M. MARITIME VESSEL
Stopped / Contained	No				No

3. a. INCIDENT LOCATION: Calle Real, Goleta, California, 93117

b. CITY:	c. COUNTY:	d. ZIP:
Goleta	Santa Barbara	93117

4. INCIDENT DESCRIPTION:

a. DATE:	b. TIME *(Military)*:	c. SITE:	d. REPORTED CAUSE	e. INJURIES	f. FATALITY	g. EVACUATION	h. CLEANUP BY:	i. CLEANUP STATUS:
2025-Aug-06	15:02	Industrial Plant	Mechanical	None	None	None	Reporting Party	In Progress

5. SUSPECTED RESPONSIBLE PARTY:

a. NAME:	b. AGENCY:	c. PHONE#:	e. MAIL ADDRESS:	f. CITY:	g. STATE:	h. ZIP:
xxxxx	Sabel Offshore Co.	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

6. NOTIFICATION INFORMATION:

a. ON SCENE:	b. OTHER ON SCENE:	c. OTHER NOTIFIED:

Notified: AA/CUPA,DTSC,RWQCB,US EPA,USFWS Co/WP,Co/Hlth,Co/E-Hlth

ADMINISTERING AGENCY:	
ADDITIONAL ADMIN AGENCY:	
SECONDARY AGENCY:	

ADDITIONAL COUNTIES:	
Cal GEM:	**Northern**
RWQCB Unit:	3
Air Resource Bd:	
Cal OES Reg.	

Created by: Warning Center on 06-Aug-2025 15:12 PDT Last Modified by: Warning Center on 06-Aug-2025 15:12 PDT

EXHIBIT 10

Governor's Office Emergency Services

Hazardous Materials Spill Report

DATE/TIME: 2025-Aug-27 09:28	RECEIVED BY: xxxxx	CONTROL#: 25 - 4276 NRC#:

1.a. PERSON NOTIFYING Cal OES:

1. NAME:	2. AGENCY:	3. PHONE#:	5. PAG/CELL:
xxxxx	Sable Offshore	xxxxx	xxxxx

1.b. PERSON REPORTING SPILL (If different from above):

1. NAME:	2. AGENCY:	3. PHONE#:	5. PAG/CELL:
xxxxx		xxxxx	xxxxx

2. SUBSTANCE TYPE:

2 a. SUBSTANCE:	b. QTY / Amount	Measure	Rate	c. TYPE:	d. OTHER	e. PIPELINE	f. VESSEL >= 300 Tons
Anerobic Biosolid - sludge material	= 5000	CuFt	N/A	Other	Anaerobic Biosolid	No	

g. DESCRIPTION:

Per the Reporting Party: At an oil/gas production facility during a power washing operation a maintenances crew removed a manway (access door) on a containment vessel. Due to the level being higher than expected this resulted in some of the material releasing out of the manway. Most of the released material remained in a containment area; with some of the material going beyond the containment area and impacted some gravel. No waterways or storm drains were affected. The release has been stopped.

The crews are on sight using backhoes and other equipment to clean up the material.

The anaerobic biosolid material is used in the produced water treatment process for dissolving any oil residue in the water.

Samples have been taken of the released material showing a slight uptick in the barium level, indicating it may possibly be hazardous. The exact reading was not available.

There were no injuries in this incident.

h. STOPPAGE/ CONTAINMENT:	i. i WATER INVOLVED:	j. WATERWAY:	k. DRINKING WATER IMPACTED:	l. KNOWN IMPACT	M. MARITIME VESSEL
Stopped / Contained	No				No

3. a. INCIDENT LOCATION: 12000 Calle Real, Goleta, California, 93117

b. CITY:	c. COUNTY:	d. ZIP:
Goleta	Santa Barbara	93117-9708

4. INCIDENT DESCRIPTION:

a. DATE:	b. TIME *(Military)*:	c. SITE:	d. REPORTED CAUSE	e. INJURIES	f. FATALITY	g. EVACUATION	h. CLEANUP BY:	i. CLEANUP STATUS:
2025-Aug-27	08:30	Other	Unknown	None	None	None	Responsible Party	

5. SUSPECTED RESPONSIBLE PARTY:

a. NAME:	b. AGENCY:	c. PHONE#:	e. MAIL ADDRESS:	f. CITY:	g. STATE:	h. ZIP:
xxxxx	Sable Offshore	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

6. NOTIFICATION INFORMATION:

a. ON SCENE:	b. OTHER ON SCENE:	c. OTHER NOTIFIED:

Notified: AA/CUPA,DTSC,RWQCB,US EPA,USFWS Cal GEM Co/WP,Co/Hlth,Co/E-Hlth

ADMINISTERING AGENCY:	
ADDITIONAL ADMIN AGENCY:	
SECONDARY AGENCY:	
ADDITIONAL COUNTIES:	
Cal GEM:	**Northern**
RWQCB Unit:	3
Air Resource Bd:	
Cal OES Reg.	

Created by: Warning Center on 27-Aug-2025 09:44 PDT Last Modified by: Warning Center on 27-Aug-2025 10:02 PDT

EXHIBIT 11



County of Santa Barbara
Planning and Development

Lisa Plowman, Director

Jeff Wilson, Assistant Director

Elise Dale, Assistant Director

September 21, 2023

John Fowler
Pacific Pipeline Company
ExxonMobil Pipeline Company
22777 Springwoods Village Parkway
E3.5A.537
Spring, Texas 77389

BOARD OF SUPERVISORS
HEARING OF SEPTEMBER 19, 2023

RE: ***Board Action Letter***
for the Appeal of the Change of Ownership, Change of Guarantor, and Change of Operator of the Las Flores Pipeline System (formerly AAPL Lines 901/903); 88-DPF-033 (RV01)z, 88-CP-60 (RV01), 88-DPF-25cz, 85-DP-66cz, 83-DP-25cz
Case No. 23APL-00027

Hearing on the request of A. Barry Cappello, Appellant, to consider the appeal, Case No. 23APL-00027, of the Planning Commission's June 14, 2023 approval of the Pacific Pipeline Company (PPC) and ExxonMobil Pipeline Company (EMPCo) County Code Chapter 25B Permit Amendment for Final Development Plan (FDP) Permit No. 88-DPF-033 (RV01)z, 88-CP-60 (RV01) (88-DPF-25cz; 85-DP-66cz; 83-DP-25cz) of the following:

a) A Change of Ownership of the All American Pipeline L.P. (AAPL) 901 and 903 Pipeline System (Las Flores Canyon to Pentland) from Plains Pipeline L.P. (Plains) to PPC;

b) A Change of Guarantor of AAPL Lines 901 and 903 from Plains to ExxonMobil Corporation; and

c) A Change of Operator of AAPL Lines 901 and 903 from Plains to EMPCo.

The request involves a linear pipeline system crossing various Assessor Parcels within the First, Third, and Fourth Supervisorial Districts. Documents related to this request may be reviewed at the Planning and Development Department located at 123 East Anapamu Street, Santa Barbara, or on the County website at https://www.countyofsb.org/3773/Plains-Pipeline-901903-Permit-Transfer.

Dear Mr. Fowler:

On September 19, 2023, the Board of Supervisors took the following actions on Case No. 23APL-00027, which is an appeal of the Planning Commission's approval of the Change of Ownership, Change of Guarantor, and Change of Operator of the Las Flores Pipeline System (formerly AAPL Lines 901/903). Supervisor Nelson moved, seconded by Supervisor Lavagnino and carried by a vote of 4 to 0 (Hartman recused) to:

1. Deny the appeal, Case No. 23APL-00027;

2. Make the required findings for approval for the Change of Ownership, Change of Guarantor, and Change of Operator, including CEQA findings;

3. Determine that the request is not a project pursuant to CEQA Guidelines Section 15378(b)(5); and

4. Grant *de novo* approval of the Change of Ownership, Change of Guarantor, and Change of Operator for Final Development Plan Permit No. 88-DPF-033 (RV01)z, 88-CP-60 (RV01)(88-DPF-25cz;85-DP-66cz; 83-DP-25cz), subject to the Conditions of Approval.

The attached findings and conditions reflect the Board of Supervisors actions of September 19, 2023.

Sincerely,

Lisa Plowman
Director

cc: Case File: Jacquelynn Ybarra, Planner
Fire Department
County Planning Commission

Attachments: **Attachment A – Findings**
Attachment B – Conditions of Approval

ATTACHMENT A: FINDINGS OF APPROVAL

1.0 CEQA FINDINGS

1.1 CEQA EXEMPTION

The Board of Supervisors finds that the proposed project is not subject to the requirements of the California Environmental Quality Act (CEQA), as it does not constitute a "project", as defined by CEQA Guidelines Section 15378(b)(5). Please see Attachment C, Notice of Exemption.

2.0 ADMINISTRATIVE FINDINGS

The Board Agenda Letter dated September 19, 2023 for the Appeal of the Planning Commission Approval of the Change of Ownership, Change of Guarantor, and Change of Operator for the Las Flores Pipeline System (formerly Plains All American Lines 901/903), Final Development Plan (FDP) Permit No. 88-DPF-033 (RV01)z, 88-CP-60 (RV01) (88-DPF-25cz; 85-DP-66cz; 83-DP-25cz) is incorporated by reference herein.

2.1 CHANGE OF OWNER, OPERATOR, OR GUARANTOR FOR CERTAIN OIL AND GAS FACILITIES

2.1.1 Findings required for Change of Owner. *In compliance with Section 25B-9(a) of the County Code, prior to the approval of an application for a change of owner, the director shall make the following findings:*

(1) Fees and Exactions. All outstanding county required fees and exactions due for the facility have been paid.

The requirements of this finding are satisfied. Planning and Development has verified with Accounting staff that no outstanding payments are due for the facility, or related planning and compliance cases.

(2) Financial Guarantees. All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance have been updated, if necessary, to reflect the new owner(s) and will remain in full effect following the ownership change.

The requirements of this finding are satisfied. Previously required bonds and endowments under the FDP Permit have been satisfied and none remain outstanding. The FDP Permit does not require the Owner, Guarantor, Operator to carry insurance or other financial responsibility (e.g. surety bond) to cover oil spills or other damages, or for the final abandonment of the pipelines. After final abandonment, the Owner will

continue to pay property taxes until site restoration is complete in accordance with FDP Permit Condition O-1.

(3) Acceptance of Permit. The proposed owner has provided a letter from a responsible official representing the proposed owner formally accepting all, conditions and requirements of the permit.

The requirements of this finding are satisfied. PPC and EMPCo provided a signed and notarized Agreement to Comply with Conditions of Approval dated November 1, 2022 accepting all conditions and requirements of the permit. The Agreement was recorded with the County Clerk-Recorder's office on May 8, 2023 as an official record. The Agreement is provided in Attachment D of the Planning Commission Staff Report dated June 6, 2023, and is included herein by reference.

(4) Facility Safety Audit. The current owner or operator has provided a copy of the most recent county-conducted comprehensive safety audit of the physical facility, along with a description of the status of implementing its recommendations, to the new or proposed new owner(s). A safety inspection maintenance and quality assurance program (SIMQAP) audit approved by the appropriate county official shall satisfy this requirement.

The requirements of this finding are satisfied. The 1988 settlement agreement between the County and Celeron Pipeline Company/Getty Trading and Transportation Company determined that the County does not have the jurisdiction to regulate any aspect of the design, construction, or operation of the pipeline which was already covered by the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) under 49 C.F.R. Part 195 (*Transportation of Hazardous Liquids by Pipeline*). The settlement agreement determined that this authority rests exclusively with PHMSA and now, the CAL FIRE Office of the State Fire Marshal (OSFM).

Title 49 §§ 195.450 and §§ 195.452 require that pipeline operators implement both internal (operator-conducted) and external (agency-conducted) audits. As PHMSA and OSFM conduct audits of the pipeline system, it is not subject to County-conducted safety audits. Consequently, there is no County-conducted audit available.

The existing owner (Plains) has satisfied the County's requirement to provide audit information to the pending owner (PPC). PPC confirmed that Plains provided copies of the most recent PHMSA and OSFM-conducted audits from at least 2018 through 2021. Planning and Development confirmed with OSFM that the audits took place. A summary of PHMSA and OSFM safety audits are presented in section 6.2 of the Planning Commission Staff Report dated June 6, 2023, included herein by reference.

(5) Compliance With Existing Requirements. As of the date that the application is deemed complete, the current owner(s) are in compliance with all requirements of the permit, including any requirement of a county-required safety audit, any notice of violation, and any county ordinance, or the current and proposed owner(s) have entered into a written agreement with the Director that specifies an enforceable schedule to come into compliance with such requirements.

The requirements of this finding are satisfied. Plains is in compliance with all requirements of the FDP Permit, including Condition P-2 which requires a Safety, Inspection, Maintenance, and Quality Assurance Program (SIMQAP) for the pump stations, valves, and pipelines. A draft SIMQAP was provided to the County on March 10, 2023, and was reviewed by the County's Systems Safety & Reliability Review Committee (SSRRC). A final SIMQAP was provided to the County on May 12, 2023, satisfying this condition. The final SIMQAP is included in Attachment F to the Planning Commission Staff Report dated June 6, 2023, and is included herein by reference. Plains is also in compliance with all other FDP Permit Conditions, including Conditions A-7 and A-20 regarding the project description, and Conditions J-5, J-7, J-10, and J-11 relating to pipeline easements, which were raised as public concerns.

2.1.2 Findings required for Change of Guarantor. *In compliance with Section 25B-9(e) of the County Code, prior to the approval of an application for a change of guarantor, the director shall make the following findings:*

(1) Financial Guarantees. The proposed guarantor has provided all necessary instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance.

ExxonMobil Corporation is the Guarantor for the Las Flores Pipeline facilities. The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (2).

2.1.3 Findings required for Change of Operator.
(a) In compliance with Section 25B-10 of the County Code, the planning commission shall approve an application for change of operator only if the planning commission makes the following findings.

(1) Fees and Exactions. All outstanding county required fees and exactions due for the facility have been paid.

ExxonMobil Pipeline Company (EMPCo) is the Operator of the Las Flores Pipeline facilities. The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (1).

(2) Financial Guarantees. All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance have been updated, if necessary, to reflect the new operator and will remain in full effect following the operator change.

The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (2).

(3) Acceptance of Permit. The proposed operator has provided a letter from a responsible official representing the proposed operator formally accepting all conditions and requirements of the permit.

The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (3).

(4) Facility Safety Audit. The current owner or operator has provided a copy of the most recent county-conducted comprehensive safety audit of the physical facility, along with a description of the status of implementing its recommendations, to the proposed new operator. A safety inspection maintenance and quality assurance plan audit approved by the appropriate county official shall satisfy this requirement.

The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (4).

(5) Compliance with Existing Requirements. As of the date that the application is deemed complete, the current operator is in compliance with all requirements of the permit, including any requirements of a county-required safety audit, any notice of violation, and any county ordinance, or the owner and proposed operator have entered into a written agreement with the director that specifies an enforceable schedule to come into compliance with such requirements.

The requirements of this finding are satisfied, as discussed under the similar finding for Change of Owner in Finding 2.1.1 (5).

(6) Compliance Plans. The current owner and proposed operator have updated, where applicable, any existing, approved safety inspection maintenance and quality assurance program, emergency response plan, fire protection plan, and oil spill contingency plan, or equivalent approved plans, with current emergency contact information pertaining to the new operator. The current owner and

proposed operator have agreed in writing to revise all other plans required by the permit or any county ordinance, as necessary to reflect the change of operator, and to do so with sufficient diligence to obtain approval of the revised plans by the appropriate county official within six months after assuming operations.

The requirements of this finding are satisfied. County staff confirmed that all relevant compliance plans have been updated with the current emergency contact information pertaining to PPC, EMPCo and/or ExxonMobil as Owner, Operator, and Guarantor respectively. Compliance Plans are included as Attachment F to the Planning Commission Staff Report dated June 6, 2023 and are incorporated by reference.

(7) Transitional Plan. The current owner or operator and proposed operator have submitted a transitional plan that will demonstrate the proposed operator shall receive adequate training, including by means of cross training by the current operator, where feasible, and shall have a good working knowledge of the crucial compliance plans listed in Sec. 25B-10.1.f before assuming control of operations. The plan has been approved by the director. The planning commission may exempt the current owner and proposed operator from this requirement, or portions thereof, for good cause.

The requirements of this finding are satisfied. Plains and PPC submitted a comprehensive Transitional Plan describing the general strategy taken for the transition from Plains to PPC and EMPCo, a description of the pipeline system and general operating procedures, how the system is staffed and operated, and facility-specific transition and training activities. The Transitional Plan is included as Attachment E to the Planning Commission Staff Report dated June 6, 2023 and is incorporated by reference herein.

(8) Emergency Response Plan Drills. The proposed operator has adequately performed one or more county approved emergency response plan drills necessary to respond to emergency episodes that may occur at the facility.

The requirements of this finding are satisfied. PPC submitted an Incident Contingency Plan (ICP) that combines the once separate Emergency Response, Fire Protection, and Oil Spill Contingency plans for the Las Flores Pipeline system. PPC and EMPCo held a comprehensive ICP training exercise and emergency response drill on February 9, 2023 in coordination with the County Fire Department's Office of Emergency Services, the California Department of Fish and Wildlife's Office of Spill Prevention and Response (OSPR), OSFM, PHMSA, and the U.S. Environmental Protection Agency (EPA). Planning and Development confirmed with the County Fire Department in attendance that the emergency response drill was completed in accordance with County requirements, and that no outstanding issues were identified.

(9) Operator Capability. The proposed operator has the skills and training necessary to operate the permitted facility in compliance with the permit and all applicable county codes and has a good working knowledge of the crucial compliance plans listed in Sec. 25B-10.1.f. The director shall require relevant records of compliance, and corrective actions taken subsequent to any major incidents for facilities, if any, that are similar in nature to those that are the subject of the permit, as may be necessary to make findings. These records shall be used to provide sufficient assurance that the proposed operator does not reflect a record of non-compliant or unsafe operations systemic in nature for similar facilities to those being considered for operatorship.

The requirements of this finding are satisfied. EMPCo has been in operation since December 26, 1941. EMPCo operates similar pipelines and related facilities in other states, and operates over 1,000 miles of crude oil pipelines. EMPCo has had zero major incidents involving crude oil pipelines and facilities within the U.S. over the past five years (2018 – 2023).

The Las Flores Pipeline System has five full-time-equivalent EMPCo employees in addition to contracted personnel and specialists. EMPCo employees are trained under the ExxonMobil Operations Integrity Management System (OIMS), which is included in Attachment D of the Planning Commission Staff Report dated June 6, 2023. Las Flores Pipeline employees have also been trained on the site-specific Incident Contingency Plan and other facility-specific Compliance Plans, and participated in a February 2023 emergency response drill.

LAS FLORES PIPELINE SYSTEM
FINAL DEVELOPMENT PLAN CONDITIONS
88-DPF-033 (RV01)z, 88-CP-60 (RV01)
(88-DPF-25cz; 85-DP-66cz; 83-DP-25cz)
December 12, 1988 Modified May 2003
(Modified on September 19, 2023 with the Change of Ownership, Change of Guarantor, and Change of Operator for the Las Flores Pipeline System [Lines 901/903])

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LAS FLORES PIPELINE SYSTEM
FINAL DEVELOPMENT PLAN CONDITIONS

88-DPF-033 (RV01)z, 88-CP-60 (RV01)
(88-DPF-25cz; 85-DP-66cz; 83-DP-25cz)
December 12, 1988
Modified May 2003
(Modified on September 19, 2023 with the Change of Ownership, Change of Guarantor, and Change of Operator for the Las Flores Pipeline System [Lines 901/903])

The current owner and operator of record for the Las Flores Pipeline System (previously the All American Pipeline) is Pacific Pipeline Company, referred to herein as PPC. ExxonMobil Pipeline Company (EMPCo) serves as the pipeline operator. ExxonMobil Corporation is identified as sole guarantor and carries in excess of $100 million insurance coverage, as required by the Office of Oil Spill Prevention and Response. PPC is directly wholly owned by Mobil Pacific Pipeline Company, and indirectly wholly owned by Exxon Mobil Corporation. EMPCo is directly wholly owned by Exxon Pipeline Holdings LLC, and indirectly wholly owned by ExxonMobil Corporation.

A. GENERAL

A-1. Acceptance of Permit Conditions

Acceptance of this permit shall be deemed as acceptance of all final conditions of this permit, except that PPC reserves the right to pursue any remedy for any legal violations imposed directly or indirectly by these permit conditions.

A-2. Grounds for Permit Modification or Revocation

If the Planning Commission determines at a noticed public hearing that PPC is not in compliance with any permit condition*(s)*, pursuant to the provisions of Sec. 35-185 of Article II and/or Sec. 35-330 of Article III of the Santa Barbara County Code, the Planning Commission is empowered, in addition to revoking the permit pursuant to said section, to amend, alter, delete, or add conditions to this permit. *(modified by the Planning Commission on September 6, 2000)*

A-3. Court Costs

PPC agrees as a condition of the issuance and use of this permit to defend at its sole expense any action brought against the County by a third party challenging either its decision to issue this permit or the manner in which the County is interpreting or enforcing the conditions of the permit. PPC will reimburse the County for any court costs and attorneys fees which the County may be required by a court to pay as a result of such action where PPC defended or had control of the defense of the suit. County may, at its sole discretion, participate in the defense of any such action, but such participation shall not relieve PPC of its obligation under this condition. County shall bear its own expenses for its participation in the action.

A-4. Costs of Implementing and Enforcing Conditions

The permittee shall make an initial deposit to a fund to permit the County to adequately implement and enforce the conditions imposed by this permit and applicable County ordinances and/or the conditions of this permit, if such a fund is established. If the Board of Supervisors determines that a reasonable enforcement fund is needed, the Director of the Planning and Development Department shall present to the Board of Supervisors and the permittee a plan for enforcement

within one year from the effective date of this permit. This plan shall set forth the staffing requirements and materials necessary for such enforcement and the estimated costs thereof. This plan shall provide that all reasonable expenses incurred by the County or County contractors, for permit condition implementation, reasonable studies, and emergency response directly and necessarily related to enforcement of these permit conditions shall be reimbursed by PPC within 30 days of invoicing by County.

A-5. Civil Penalties

In the event that PPC fails to comply with any order of the Administrative Officer or the Board of Supervisors issued hereunder or any injunction of the Superior Court, it shall be liable for a civil penalty for each violation to the extent imposition of such civil penalty is authorized by applicable laws, rules, or regulations.

Said civil penalty shall be in addition to PPC's obligation, if any, to reimburse the County of Santa Barbara (and others) for actual damages suffered as a result of PPC's failure to abide by the conditions of this permit or by the orders of the Administrative Officer, the Board of Supervisors, or any court of competent jurisdiction.

A-6. Access to Records and Facilities

As to any condition which requires for its effective enforcement the inspection of construction records or records pertaining to facility operations, or the facilities themselves by County or its duly authorized agents, PPC will make all necessary records available or provide access to such facilities upon reasonable notice from County. County agrees to keep such information confidential where permitted by law and requested by PPC in writing.

A-7. Substantial Conformity

The procedures, operating techniques, design, equipment and other descriptions (hereinafter procedures) described in 83-DP-25 cz, 83-CP-97 cz, and in subsequent clarifications and additions to that application and the Final Development Plan are incorporated herein as permit conditions and shall be required elements of the project. Since these procedures were part of the project description which received environmental analysis, a failure to include such procedures in the actual project could result in significant unanticipated environmental impacts. Therefore, modifications of these procedures will not be permitted without a determination of substantial conformity or a new or modified permit. The use of the property and the size, shape, arrangement and location of buildings, structures, walkways, parking areas and landscaped areas shall be in substantial conformity with the approved Final Development Plan.

A-8. Authority for Curtailment

In addition to the authority to enforce and secure compliance with the provisions of this permit under Division 12, Coastal Zoning Ordinance of the Santa Barbara County Code and Division 7, General Regulations, Article III Santa Barbara County Zoning Ordinance, the County Administrative Officer, or in his/her absence a designated appointee, may order that curtailment of activities which is required to protect the public health and safety. Said action may include, but is not limited to, ordering temporary, partial or total facility shutdown.

Such an order shall be made only in the event that the Administrative Officer has reasonable and probable cause to believe that continued unrestrained activities of permittee will likely result in or threaten to result in danger to public health, welfare, or safety, or in the environment and provided such violations can be expected to continue or recur unless operations are in whole or in part shut down or reduced pending the necessary corrections.

Before issuing any curtailment order, the County Administrative Officer shall set a time for hearing and shall give written notice of the time and place of the hearing and of the alleged violations. Such notice shall be received by the person in charge of the operation of the facility at least 24 hours before the hearing at which time there will be an opportunity for all concerned parties to present evidence regarding the alleged violations. The notice may be served in person or by certified mail.

In the event the Administrative Officer, or in his/her absence the designated appointee, determines that there is an imminent danger to the public health and safety resulting from violations, he/she may summarily order the necessary curtailment of activities without hearing and such order shall be obeyed upon notice of same, whether written or oral. At the same time that notice of the order is conveyed, the Administrative Officer shall set a date, time and place for a publicly noticed hearing and review of said order as soon as possible which date shall be no later than 24 hours after such order is issued or served. Said hearing shall be conducted in the same manner as a hearing on prior notice. After such hearing, the Administrative Officer may modify, revoke, or retain the emergency curtailment order.

Any order of the Administrative Officer may be appealed to the Board of Supervisors within three working days after such order is made.

If such appeal is not filed with the Board of Supervisors, the Administrative Officer's order becomes final. If there is an appeal, the order of the Administrative Officer shall remain in full force and effect until action is taken by the Board of Supervisors. The decision of the Board of Supervisors shall be a final Administrative Action. Such decision shall not preclude PPC from seeking judicial relief.

Once PPC has shown that the conditions of violation no longer exist and are not reasonably likely to recur, the Administrative Officer shall modify the curtailment order to account for such compliance and shall entirely dissolve the order when it is shown that all of the violations have been corrected and are not likely to recur.

A-9. Conditions Separately Remain in Force

In the event that any condition contained herein is determined to be invalid, then all remaining conditions shall remain in force.

A-10. Conflicts Between Conditions

In the event that any condition contained herein is determined to be in conflict with any other condition contained herein, then where principles of law do not provide to the contrary, the condition most protective of public health and safety and natural environmental resources shall prevail to the extent feasible.

A-11. Injunctive Relief

In addition to any administrative remedies or enforcement provided hereunder, the County may seek and obtain temporary, preliminary, and permanent injunctive relief to prohibit violation of the conditions set forth herein or to mandate compliance with the conditions herein.

All remedies and enforcement procedures set forth herein shall be in addition to any other legal or equitable remedies provided by law.

A-12. Owner/Operator Liability

The owner and the operator of the facility shall be jointly and severally liable without regard to fault for all legally compensable damages or injuries suffered by any property or person that result from or arise out of any oil, water spillage, fire, explosion, odor, or air pollution, in any way involving oil or gas or the impurities contained therein or removed therefrom and which arises out of construction or operation of PPC's facilities. For the purpose of this condition, the "facility" shall be deemed to include all facilities described and approved pursuant to 83-DP-25cz, 83-CP-97cz.

This condition shall not inure to the benefit of any of the owners of the pipeline, including the United States Government. This declaration of strict liability and the limitations upon it shall be governed by the applicable law of California on strict liability.

A-13. Facility Throughput and Source Limits

All facilities constructed under this permit shall be used only for the shipment of a maximum volume of heated crude oil demonstrated to be within the design parameters of the pipeline facilities as built. The subject volumes will be outer continental shelf (OCS) and other locally produced onshore and offshore petroleum from the Santa Barbara and Santa Maria Basins. PPC shall obtain a new or modified permit, or authority to continue operation under the existing permit prior to undertaking any of the following activities which may, in the judgment of the County, result in significant changes to the impacts on the County. Such changes could include but not be limited to: 1) major pipeline or pump station modifications; 2) major changes in pipeline throughput; 3) introduction of production to the pipeline from sources other than those described above; and 4) introduction of a different product from any source.

Other source volumes may be transported subject to a determination of substantial conformity by the Planning Commission and a finding of facts and determination that project impacts will not be increased by transporting and processing those other sources.

A-14. Pipeline Alignment

The permittee shall align the pipeline corridor from the coastal starting point to the County exit point in the western Cuyama valley according to the route approved by the County. The permittee shall locate and construct all isolation valves as identified by the final approved alignment.

A-15. Permit Violations

Any person, firm or corporation, whether as a principal, agent, employee, or otherwise, found to be in violation of any provisions or conditions of this ordinance or permits, shall be punishable as

set forth in the applicable section of the Coastal Zoning Ordinance, and Article III of the Santa Barbara County Code.

Each and every day during any portion of which any violation of this Article or the rules, regulations, orders, or permits issued thereunder, is committed, continued, or permitted by such person, firm or corporation shall be deemed a separate and distinct offense.

A-16. Board of Supervisors Authority to Change County Department Responsible for Condition

The Santa Barbara County Board of Supervisors in a noticed public hearing shall have the authority to specify or change the Santa Barbara County Department responsible for any conditions contained herein.

A-17. Fees as Mitigation Measures

Should circumstances, including legal or legislative action, cause the County to lose its authority or have its authority fundamentally reduced to assess fees as a method to mitigate project-related impacts, then other feasible mitigation measures shall be imposed which will substantially lessen the significant impact formerly mitigated by the imposition of fees. Within six months of the County's loss of such authority, feasible alternative mitigation measures shall be imposed as replacement permit conditions. Alternatively, the County in a noticed public hearing must find that no feasible mitigation measures are available and that the benefits of the project outweigh the significant environmental impacts.

A-18. Payment of Attorney's Fees and Costs

Should legal action be required by either party to enforce any rights in connection with this permit the prevailing party shall be entitled to reasonable attorney's fees and costs pursuant to Civil Code 1717.

A-19. Applicability of Conditions to Construction and Operation

Unless otherwise specified, these permit conditions are intended to apply during both the construction and the operation of the permitted facilities.

A-20 Project Description

The Development Plan Revision (88-DP-33) and Conditional Use Permit Revision (88-CP-60) are based upon and limited to compliance with the project description and conditions of approval adopted for the Gaviota Creek Pipeline Lowering and Relocation Project, as documented in 00-ND-21 and the September 6, 2000 staff report. Any deviations from the project description, exhibits or conditions must be reviewed and approved by the County for conformity with this approval. Deviations may require approved changes to the permit and/or further environmental review. Deviations without the above described approval will constitute a violation of permit approval. The project description is summarized as follows:

- Relocate the existing Gaviota Creek pipeline crossing by re-burying the 30" crude oil pipeline at least 10 feet into bedrock immediately upstream from the existing crossing;

- Remove the existing, exposed pipeline segment in Gaviota Creek;

- Restore and revegetate the disturbed area; and
- Monitor the crossing to ensure erosion control and revegetation efforts are successful.

The grading, development, use, and maintenance of the property, the size, shape, arrangement, and location of structures, parking areas and landscape areas, and the protection and preservation of resources shall conform to the project description and the associated hearing exhibits and conditions of approval. The property and any portions thereof shall be sold, leased or financed in compliance with this project description and the approved hearing exhibits and conditions of approval hereto. All plans must be submitted for review and approval and shall be implemented as approved by the County. *(adopted by the Planning Commission on September 6, 2000)*

A-21

Any use authorized Conditional Use Permit Revision (88-CP-060 RV01) shall immediately cease upon expiration or revocation of this Conditional Use Permit. Any Coastal Development issued pursuant to this Conditional Use Permit shall expire upon expiration or revocation of the Conditional Use Permit. Conditional Use Permit renewals must be applied for prior to expiration of the Conditional Use Permit. *(adopted by the Planning Commission on September 6, 2000)*

A-22

Within 18 months after the effective date of Conditional Use Permit Revision (88-CP-060 RV01), construction and/or the use shall commence. Construction or use cannot commence until a Coastal Development Permit has been issued. Failure to commence the construction and/or use pursuant to a valid Coastal Development Permit shall render the Conditional Use Permit null and void. All time limits may be extended by the Planning Commission for good cause shown, provided a written request, including a statement of reasons for the time limit extension request is filed with Planning and Development prior to the expiration date. *(adopted by the Planning Commission on September 6, 2000)*

A-23

Approval of the Final Development Plan Revision (88-DP-33 RV01) shall expire five (5) years after approval by the Planning Commission, unless prior to the expiration date, substantial physical construction has been completed on the development or a time extension has been applied for by the applicant. The decisionmaker with jurisdiction over the project may, upon good cause shown, grant a time extension for one year. *(adopted by the Planning Commission on September 6, 2000)*

A-24

Before using any land or structure, or commencing any work pertaining to the erection, moving, alteration, enlarging, or rebuilding of any building, structure, or improvement, the applicant shall obtain a Coastal Development and Building Permit from Planning and Development. These Permits are required by ordinance and are necessary to ensure implementation of the conditions required by the Planning Commission. Before any Permit will be issued by Planning and Development, the applicant must obtain written clearance from all departments having conditions; such clearance shall indicate that the applicant has satisfied all pre-construction conditions. A form for such clearance is available from Planning and Development. *(adopted by the Planning Commission on September 6, 2000)*

A-25

All applicable final conditions of approval shall be printed in their entirety on applicable pages of grading/construction or building plans submitted to P&D or Building and Safety Division. These shall be graphically illustrated where feasible. *(adopted by the Planning Commission on September 6, 2000)*

A-26

The applicant shall ensure that the project complies with all approved plans and all project conditions including those which must be monitored after the project is built and occupied. To accomplish this the applicant agrees to:

1. Contact the Energy Division as soon as possible after project approval to provide the name and phone number of the future contact person for the project and give estimated dates for future project activities.
2. Contact the Energy Division at least two weeks prior to commencement of construction activities to schedule an on-site pre-construction meeting with the owner, planner, and other agency personnel and with key construction personnel.
3. Contact the State Parks archaeologist one week prior to commencement of any project activities on the site, including pre-construction activities.
4. Pay fees to cover full costs of consultants and staff time and monitoring (EQAP program). In the event of a dispute, the decision of the Director of P&D shall be final. *(adopted by the Planning Commission on September 6, 2000)*

A-27

Developer shall defend, indemnify and hold harmless the County or its agents, officers and employees from any claim, action or proceeding against the County or its agents, officers or employees, to attack, set aside, void, or annul, in whole or in part, the County's approval of the Final Development Plan Revision (88-DP-33 RV01) and Conditional Use Permit Revision (88-CP-060 RV01). In the event that the County fails promptly to notify the applicant of any such claim, action or proceeding, or that the County fails to cooperate fully in the defense of said claim, this condition shall thereafter be of no further force or effect. *(adopted by the Planning Commission on September 6, 2000)*

A-28

In the event that any condition imposing a fee, exaction, dedication or other mitigation measure is challenged by the project sponsors in an action filed in a court of law or threatened to be filed therein which action is brought within the time period provided for by law, this approval shall be suspended pending dismissal of such action, the expiration of the limitation period applicable to such action, or final resolution of such action. If any condition is invalidated by a court of law, the entire project shall be reviewed by the County and substitute conditions may be imposed. *(adopted by the Planning Commission on September 6, 2000)*

A-29

Within 60 days of completion of the Gaviota Creek Pipeline Lowering and Relocation project, the permittee shall submit as-built drawings to the Energy and Building and Safety Divisions. *(adopted by the Planning Commission on September 6, 2000)*

A-30

Within 60 days of completion of the Gaviota Creek Pipeline Lowering and Relocation project, the permittee shall revise their Operations and Maintenance Manual to reflect the changes to the pipeline. Revisions shall be copied to the Energy and Building and Safety Divisions. *(adopted by the Planning Commission on September 6, 2000)*

A-31

The Gaviota Creek Pipeline Lowering and Relocation project is estimated to take a maximum of 5 weeks. If earthmoving work extends past November 1, the Energy Division shall convene a meeting between the permittee and all responsible agencies to decide on–the appropriate action. If the Planning Director determines that work cannot continue due to impacts on sensitive resources (e.g., steelhead migration, red-legged frog breeding season), or the potential for increased sedimentation and erosion, work shall be suspended.

B. PERMIT REVIEW

B-1. System Safety and Reliability Review Committee (SSRRC) Review Prior to Construction

Prior to initiation of construction activity (such as ROW preparation, river crossings or pump station construction), the permittee shall submit to the System Safety and Reliability Review Committee (established by condition P-1) relevant construction drawings and supporting text demonstrating compliance with the appropriate conditions. Construction may not commence until County has reviewed and/or approved this submittal, consistent with the SSRRC review specified in Conditions P-1 and P-2. Within 15 days of submittal, County shall either give written notice to proceed with construction or indicate in writing conditions which have not been met. When such conditions have been met construction approval shall be granted.

B-2. Imposition of New and Comprehensive Review of Conditions

If at any time County determines that these permit conditions are inadequate to effectively mitigate significant environmental impacts caused by the project, or that recent proven technological advances could provide substantial additional mitigation, then additional reasonable conditions shall be imposed to further mitigate these impacts. Imposition of such conditions shall only be considered and imposed as part of the County's comprehensive review of the project conditions. County shall conduct a comprehensive review of the project conditions and consider adding reasonable conditions which incorporate proven technological advances three years after permit issuance and at appropriate intervals thereafter. A comprehensive review of conditions which are not effectively mitigating impacts may be conducted at any appropriate time. Upon written request of PPC, the Board of Supervisors shall determine whether the new condition required is reasonable considering the economic burdens imposed and environmental benefits to be derived.

B-3. Authority to Impose Feasible Mitigations

This permit is premised upon findings that where feasible, all significant environmental effects of the project identified in the EIR/EIS (State Clearinghouse No. 83110902), which occur in Santa Barbara County, will be substantially mitigated by the permit conditions. Prior to approval of the Final Development Plan, County shall review any findings that identified certain mitigation measures as being in the primary jurisdiction of another agency but are also within County's

jurisdiction. County shall thereupon determine either (1) that such mitigation has or is being implemented by such other agency or (2) that such other agency and County determine such mitigation to be infeasible. If County determines that no other agency is or may be implementing such feasible mitigation measures then County may impose those feasible measures within its jurisdiction to mitigate those environmental impacts in accordance with appropriate mitigation measures identified by the EIS/R.

B-4. Coordination Plan for the Use of a Shared Pipeline Corridor

Prior to approval of the Final Development Plan, the permittee shall develop and submit to the Planning and Development Department for approval a plan to co-ordinate the placement and timing of their pipeline with SCPS's pipeline (or other potential proposals for use of the same corridor for a pipeline). Any agreements between the permittee and SCPS (or other applicant) necessary to implement this plan shall be subject to review and verification by the Planning and Development Department to assure the purpose of the plan will be achieved. The expressed purpose of this co-ordination plan shall be:

1) arrangement of simultaneous construction where practical;
2) engineering of pipe placement within the ROW to minimize incremental widening of the initial construction corridor during subsequent pipeline projects;
3) identification of segments where incremental widening of the ROW is constrained and alternative engineering techniques which may allow construction of subsequent pipelines (and potential limitations of future pipeline use of the ROW); and
4) timing and design of revegetation plans to promote effective revegetation but minimize unnecessary duplication of efforts.

Should SCPS or any other applicant abandon their pipeline project, or fail to submit a Final Development Plan prior to pipeline construction, this condition may be modified to reflect the existing situation but maintain the intent of this condition.

B-5. Resolution of Scheduling Conflicts Among Conditions of Approval

In the event that scheduling requirements among or between conditions in this permit (or with this permit and conditions imposed by other agencies) conflict with respect to timing, the Planning and Development Department (in consultation with other agencies as appropriate) shall resolve such conflict.

B-6. Cooperation with San Luis Obispo County for Pipeline Permitting

Applicant shall cooperate as necessary with San Luis Obispo County in the permitting, design, and construction of those segments of the pipeline which could affect Santa Barbara County. The intent of this condition is to ensure that potential impacts to Santa Barbara County are mitigated to the maximum extent feasible by these permit conditions, regardless of the location of the source of the impact.

B-7. P&D Authorization Prior to Construction

Prior to commencing any construction activities in Santa Barbara County, the permittee shall obtain a letter from the Director of the Planning and Development Department indicating that all

conditions which require approval prior to construction, as specified by this permit, have been satisfied.

B-8. P&D Authorization Prior to Start-Up

Prior to start-up of the pipeline in Santa Barbara County, the permittee shall obtain a letter from the Director of the Planning and Development Department indicating that all conditions which require approval prior to start-up, as specified by this permit, have been satisfied.

B-9. Adequacy of Submittals to be Determined by the Planning Commission

In the event that PPC and staff cannot reach an agreement on the adequacy of any submittal required by these conditions, the matter will be brought before the Planning Commission for resolution at the earliest possible date.

C. MANAGEMENT

C-1. Environmental Quality Assurance Program (EQAP)

The permittee shall prepare an Environmental Quality Assurance Program (EQAP) for Resource Management Department approval prior to the Final Development Plan. This EQAP shall encompass both the construction and operation phases of the project, and shall describe the steps the permittee will take to assure compliance with these conditions. This plan is intended to provide a framework for all other programs and plans specified by these conditions as required prior to approval of the Final Development Plan. As such, it will become a comprehensive reference document for the County, other agencies, and the public regarding the project.

This plan shall provide for the submission to the Planning and Development Department semi-annual reports throughout construction and annual reports during operations. These reports shall describe:

a) Project status, including but not necessarily limited to:
   i) extent to which construction has been completed,
   ii) the rate of production/throughput during operation,
   iii) environmental planning and implementation efforts, and
   iv) any revised time schedules or timetables of construction and operation that will occur in the next one year period.
b) Permit condition compliance, including but not necessarily limited to the results of the specific mitigation requirements identified in these conditions.
c) Results and analyses of all data collection efforts being conducted pursuant to these permit conditions.

The program shall include (or if separate plans exist, reference) all plans relevant to construction and operations of the pipeline facilities specified by these conditions.

Construction

The program shall include all plans relevant to construction activities such as the Restoration, Erosion Control and Revegetation Plan and the Cultural Resources Mitigation Plan.

The program shall include provisions for at least one managing environmental coordinator with overall responsibility, and if necessary, one onsite environmental coordinator per construction site during the construction phase. These coordinators shall be approved by and be responsible to the Planning and Development Department. PPC shall fund the coordinator(s). The number of coordinators necessary shall be determined according to the amount of simultaneous construction activity occurring in geographically separate areas. The responsibilities of the coordinator(s) are to include:

a) on-site, day-to-day monitoring of construction activities;
b) ensuring contractor knowledge of and compliance with all appropriate permit conditions;
c) evaluating the adequacy of construction impact mitigations, and proposing improvements to the contractors, the permittee, and County;
d) having the authority to require correction of activities observed to violate project environmental conditions or that represent unsafe or dangerous conditions, and having the ability and authority to secure compliance with the conditions or standards through the County Administrative Officer as described in condition A-8, if necessary;
e) performing as contact for affected property owners and any other affected persons that wish to register observation of environmental permit violations and/or unsafe conditions, receiving any complaints, immediately contacting the permittee's onsite construction representative, verifying any such observations and developing any necessary corrective actions in consultation with the permittee's onsite construction representative;
f) maintaining prompt and regular communication with the Planning and Development Department, Public Works Department, or other appropriate County agency, and with permittee personnel responsible for contractor performance and permit compliance.

In the event that resolution of disputes between the public and/or governmental agencies and the permittee over adherence to permit conditions is not achieved by the managing environmental coordinator, an arbitration system shall be utilized to resolve such disputes in a timely manner in order to minimize the need to halt construction activities as per conditions A-2 or A-8.

The coordinator(s) shall be thoroughly familiar with all plans and requirements set forth in the permit conditions. Prior to construction start-up, the managing coordinator shall discuss with other agency inspectors or monitoring personnel, inspection programs, areas of jurisdiction, responsibility, and define methods of avoiding disputes or construction delay due to agency disagreements.

Selection of the necessary coordinators shall be made, and the person(s) available, prior to issuance of the Coastal Development Permit and Land Use Permit.

Operations

The program shall include all plans related to operations, such as the Emergency Response Plan, Oil Spill Contingency Plan, and Landscaping Plan, as well as specific conditions not required in formal plans. It may also include any procedures not specified by these conditions but relevant to environmental protection and safety. Operational Compliance Plans shall be updated as necessary to reflect any approved change of operator within six months after assuming operations in accordance with County Code Section 25B-10(a)(6).

C-2. 24-Hour Emergency Contact

Prior to issuance of the Coastal Development Permit and Land Use Permit, the permittee shall provide to the Planning and Development Department and the Emergency Services Coordinator the current name and position, title, address, and 24-hour phone numbers of the field agent, person in charge of the facility, and other representatives who shall receive all orders and notices, as well as all communications regarding matters of condition and permit compliance at the site and who shall have authority to implement a facility shutdown pursuant to condition A-8 in this Ordinance.

There shall always be such a contact person(s) designated by the permittee. One contact person shall be available 24 hours a day during all phases of the project in order to respond to inquiries received from the County, or from anyone in case of an emergency.

If the address or phone number of the agent should change, or the responsibility be assigned to another person or position, PPC shall provide to the Planning and Development Department the new information within seven days.

C-3. Provide Copies of Permits to P&D

PPC shall furnish to the Planning and Development Department copies of all County permit applications relative to the project once submitted, and of permits within 30 days of receipt by PPC.

D. AIR QUALITY

D-1. Statement of Scope

Nothing contained herein shall be construed to permit a violation of any applicable air pollution law, rule, or regulation.

D-2. Authority to Construct

Prior to initiation of construction, including grading, of any facilities approved pursuant to this Development Plan, the permittee shall obtain an Authority to Construct permit from the County Air Pollution Control District.

D-3. Agreement to Implement All Air Pollution Control Procedures

PPC agrees to implement all air pollution control procedures as required by APCD and identified in the Final Development Plan (such as water sprays to reduce construction-related fugitive dust).

D-4. Emissions Mitigation

Emissions from any project component that contribute to ozone standard violations must be mitigated to the extent feasible. Effectiveness of mitigation will be confirmed by APCD.

D-5. Deleted.

D-6. Validation Information

Prior to approval of the Final Development Plan, the permittee shall submit to the Planning and Development Department updated estimates of the type and size of helicopters, or other aircraft, to be used during pipeline operations for the aerial surveys of the pipeline route. The information shall also include the estimated operating schedules, frequency and duration of airport calls and other reasonable information as required by APCD. The County may require validation and updating of this information as needed. Should this information reveal significant differences between the estimated air emissions and those analyzed in the EIR/EIS, the APCD may modify air quality permit conditions as necessary to assure consistency with the Air Quality Attainment Plan and Reasonable Further Progress goals.

D-7. Discharge Limitations

All facilities shall be designed, constructed, operated, and maintained, such that the facilities approved under this Development Plan shall not discharge quantities of air contaminants or other materials in violation of Section 41700 of the Health and Safety Code.

D-8. Mitigation Plan for Construction Air Quality Impacts

Prior to the approval of the Final Development Plan, the permittee shall submit to the Director of the Planning and Development Department a plan, approved by the APCD, which includes timing of construction, minimizing soil handling, and other measures to mitigate construction air quality impacts. The plan shall include APCD approved analysis which demonstrates that local, state and federal air quality standards will not be violated as a result of construction activities.

D-9

For the Gaviota Creek Pipeline Lowering and Relocation project, during clearing, grading, earth moving, excavation or transportation of cut or fill materials, water trucks or sprinkler systems are to be used to minimize dust leaving the site and to create a crust after each day's activities cease. During construction, water trucks or sprinkler systems shall be used to keep all areas of vehicle movement damp enough to prevent dust from leaving the site. At a minimum, this would include wetting down such areas in the later morning and after work is completed for the day and whenever wind exceeds 15 miles per hour. Soil stockpiled for more than two days shall be covered, kept moist or treated with soil binders to prevent dust generation. **Plan Requirements:** All requirements shall be shown on construction drawings. **Timing:** Condition shall be adhered to throughout all grading and construction periods. **MONITORING:** Planning and Development shall ensure measures are on plans. Planning and Development's EQAP monitor shall spot check and ensure compliance on-site. APCD inspectors shall respond to any nuisance complaints. *(Mitigation Measure A-1) (adopted by the Planning Commission on September 6, 2000)*

D-10

During construction of the Gaviota Creek Pipeline Lowering and Replacement project, use water trucks to keep all areas of vehicle movement damp enough to reduce dust from leaving the site. At a minimum, this should include wetting down such areas in the late morning and

after work is completed for the day. Increased watering frequency should be required whenever the wind speed exceeds 15 mph. Reclaimed water should be used whenever possible. **Plan Requirements:** This condition shall be printed on all construction drawings. **MONITORING**: EQAP monitor to spot check in the field. *(Mitigation Measure A-2) (adopted by the Planning Commission on September 6, 2000)*

D-11

During the Gaviota Creek Pipeline Lowering and Replacement project, ~~AAPLP~~ the permittee shall minimize the amount of disturbed area and ensure that on site vehicle speeds do not exceed 15 miles per hour. **Plan Requirements:** This condition shall be printed on all construction drawings. **MONITORING**: EQAP monitor to spot check in the field. *(Mitigation Measure A-3) (adopted by the Planning Commission on September 6, 2000)*

D-12

For the Gaviota Creek Pipeline Lowering and Replacement project, soil stockpiled for more than two days shall be covered, kept moist or treated with soil binders to prevent dust generation. Trucks transporting fill material to and from the site shall be tarped from the point of origin. **Plan Requirements:** This condition shall be printed on all construction plans. **MONITORING**: EQAP monitor to spot check in the field. *(Mitigation Measure A-4) (adopted by the Planning Commission on September 6, 2000)*

D-13

For the Gaviota Creek Pipeline Lowering and Replacement project, heavy-duty diesel-powered construction equipment manufactured after 1996 (with federally mandated "clean" diesel engines) shall be utilized wherever feasible. *(Mitigation Measure A-5) (adopted by the Planning Commission on September 6, 2000)*

a. The engine size of construction equipment shall be the minimum practical size.
b. The number of construction equipment operating simultaneously shall be minimized through efficient management practices to ensure that the smallest practical number are operating at any one time.
c. Construction equipment shall be maintained in tune per the manufacturer's specifications.
d. Construction equipment operating onsite shall be equipped with two to four degree engine timing retard or precombustion chamber engines.
e. Catalytic converters shall be installed on gasoline-powered equipment, if feasible.
f. Diesel catalytic converters shall be installed, if available.
g. Diesel powered equipment should be replaced by electric equipment whenever feasible.
h. Construction worker trips should be minimized by requiring carpooling and by providing for lunch onsite.

MONITORING: EQAP monitor to spot check in field. *(Mitigation Measure A-5) (adopted by the Planning Commission on September 6, 2000)*

E. GEOLOGY

E-1. Geologic Investigation, Design and Mitigation Program

Prior to the issuance of the Coastal Development Permit and Land Use Permit, the permittee will conduct a route-specific Geologic Investigation, Design, and Mitigation Program. This program

shall contain three basic components: 1) a detailed geologic investigation component which defines specific hazards, 2) an engineering design component which details specific engineering plans for each identified hazard along the route, and 3) a geohazards mitigation component which demonstrates how and to what extent each hazard is reduced.

a) Detailed geologic investigation component:
Where specific hazards have been identified or may occur along the pipeline route or at pump station locations, the permittee will conduct appropriate detailed geologic, seismic, and geotechnical studies to further characterize the specific geologic hazard. These studies will be conducted under the direction of a State of California registered geologist or engineering geologist who will be mutually agreed to by the permittee, the Planning and Development, the Public Works Department, and the Flood Control District. These studies will include but not be limited to investigations of unstable slopes, erodable slopes, lurch/liquefaction susceptible substrate, surface rupture, and river scour characteristics (depth and lateral extent). Methods of investigation shall conform to appropriate geotechnical techniques applicable to each specific hazard. Draft results will be subject to review by County Public Works Department and Flood Control Agency as appropriate prior to finalization of the engineering design. The final report will be submitted with the final engineering design component.

b) Engineering design component:
The permittee will demonstrate that appropriate geotechnical information from component a) and other applicable recommendations are incorporated into final engineering design of pipeline construction and facilities. This includes but is not restricted to: the development of appropriate ground motion parameters for use in seismic design of critical structures and equipment, unstable slope construction or avoidance techniques, burial depth at all major river crossings, modification of instrumentation, or use of the dual contingency level/operating level earthquake concept, or its equivalent. The designs will be subject to review by the Department of Public Works and third party technical review as specified in Condition P-1.

c) Geohazards mitigation component:
Prior to issuance of the Coastal Development Permit and Land Use Permit, the permittee will submit to the Planning and Development Department a detailed geologic hazard mitigation report. The report will outline the hazards identified in part a) of this program and will address how engineering designs as detailed in part b) of this program reduce each specific hazard. This component will also be submitted to the Department of Public Works and Flood Control Agency and will be subject to third party review as specified in Condition P-1.

E-2. Geologic Hazard Monitoring Program

PPC will develop a Monitoring Program for the operations phase to be funded by PPC and staffed as necessary with at least one State of California registered engineer, or engineering geologist, in order to evaluate any hazards identified by routine monitoring. The program will be designed to verify adequate performance or condition of the project components in hazard areas such as river and active fault crossings, and will be subject to approval of the Planning and Development Department prior to issuance of the Coastal Development Permit and Land Use Permit. The monitoring program may in part be incorporated into routine aerial and ground reconnaissance. If the monitoring indicates a potential or actual hazard, appropriate action including, but not limited to, operations curtailment and repairs, will be taken by PPC to mitigate the hazard. PPC will report to the Emergency Services Coordinator any potentially hazardous situations discovered during monitoring. In the case of river crossings at the Santa Ynez, Sisquoc and Cuyama Rivers, a yearly

inspection of pipeline burial depth, subject to review by the Planning and Development Department and Flood Control Agency, shall be performed. At crossings of the Santa Ynez and Sisquoc Rivers where channel degradation has reduced the depth of cover to less than four feet below the 100-year scour depth, or other hazardous levels as determined by a professional engineer on the staff of or under supervision of the County Flood Control Agency, or US D.O.T. specifications, relocation or reburial of the pipeline to adequate depth will be required. At the crossing of the Cuyama River, if the inspections reveal that hazardous conditions exist, mitigations such as reconstruction or relocation of the crossing will be required as determined by a professional engineer on the staff of or under supervision of the County Flood Control Agency.

E-3. Inspection of Trench Prior to Pipeline Installation

Inspection of the pipeline trench or trench spoil to identify any potential geologic hazards shall be made by a professional geologist or soils engineer approved by the Planning and Development Department prior to installation of the pipeline. If hazards not previously accounted for in the pipeline design are encountered, appropriate mitigation measures will be developed and must be instigated prior to installation of the pipeline. The results of the inspection will be reported to the engineering geologist of the Public Works Department who will approve prior to, and the supervising environmental coordinator who will insure, application of the necessary mitigation measures. The timing of such inspections shall not result in any unreasonable delays in installation of the pipeline.

E-4. Isolation Valves at Active Fault Crossings

At all places where the pipeline crosses an active fault, according to the Department of Geology and Mining definitions, the permittee will place isolation valves on either side, or design and construct appropriate devices or measures which more effectively mitigate the hazard of the fault crossing. Location and nature of these designs must be approved prior to the issuance of the Coastal Development Permit and Land Use Permit.

E-5. Sisquoc Pump Station Grading and Erosion Control Plan

Prior to the issuance of the Coastal Development Permit and Land Use Permit, the permittee shall submit final Grading and Erosion Control Plans for the Sisquoc pump station approved by the Department of Public Works. These plans shall be consistent with or based on information contained in the geologic investigation required in Condition E-1. Prior to issuance of the Coastal Development Permit and Land Use Permit, the permittee shall either submit Grading and Erosion Control Plans for the Las Flores and Gaviota pump stations for approval by the Department of Public Works or show evidence that the plans are a part of the overall Grading and Erosion Control Plans for the consolidated processing facilities at those sites.

E-6. Cooperation with San Luis Obispo County for Cuyama River Crossing

The permittee shall cooperate as necessary with San Luis Obispo County in the permitting, design and construction of the Cuyama River crossing. Any pipeline crossing the Cuyama River shall be laid to a depth consistent with studies performed under Condition E-1 and subject to approval of the County Flood Control District.

E-7. South Coast Pump Stations Location

Prior to approval of the Final Development Plan, the permittee shall commit to the location of their south coast pump stations to the satisfaction of the Planning Commission. If these stations are not within the boundaries of the approved Exxon, Gaviota Terminal Company, or Chevron facilities, the permittee shall submit grading and erosion control plans pursuant to Condition E-5.

E-8. Stockpiling of Earth Materials During Construction

Stockpiling of large volumes of earth materials in temporary (for construction only) work space areas in excess of those volumes needed locally for construction shall not occur except as approved by the Planning and Development Department. The permittee shall not stockpile materials on landslide prone slopes during the rainy season.

E-9. Storage of Pipe During Construction

Storage of pipe in temporary (for construction only) extra work spaces shall not occur except as approved by the Planning and Development Department.

E-10

The permittee shall implement a project specific Restoration, Erosion Control and Revegetation Plan for the Gaviota Creek Pipeline Lowering and Replacement Project in order to minimize erosion. In addition, grading shall be minimized within the creek and along the creek bank and grading on slopes greater than 5:1 shall be designed to minimize surface water runoff. **Plan Requirements:** This requirement shall be noted on construction drawings prior to approval of CDP. The applicant shall notify the Energy Division at least 48 hours prior to commencement of grading. **MONITORING:** EQAP monitor shall inspect the site during grading work to verify that erosion control measures are properly implemented. *(Mitigation Measure G-1) (adopted by the Planning Commission on September 6, 2000)*

E-11

The permittee shall limit excavation and grading to the driest season of the year to avoid the breeding season for California red-legged frog, tidewater goby, and the Southern steelhead migration season (July 1 to November 1) for the Gaviota Creek Pipeline Lowering and Replacement project, unless granted permission by the Energy Division. All exposed graded surfaces shall be reseeded with ground cover vegetation to minimize erosion. **Plan Requirements:** This requirement shall be noted on construction drawings. **MONITORING:** EQAP monitor shall inspect the site during grading to monitor dust generation and after grading to verify reseeding. *(Mitigation Measure G-2) (adopted by the Planning Commission on September 6, 2000)*

E-12

At Gaviota Creek, the permittee shall perform an as-built profile survey of the pipeline and creek bed and develop a profile drawing showing the pipeline and creek bottom. For the first two years after installation of the new pipeline crossing, the creek bed shall be surveyed each year at the end of the rainy season. After the first two years, PPC shall re-survey after every significant flood event (i.e., 100-year event or more serious), but not less than every three years. After each creek bed profile survey, the creek bed profile shall be shown on the original as-built profile survey. **Plan Requirements:** PPC shall submit surveys to Planning and

Development's geologist for review and approval. **MONITORING:** Planning and Development shall review creek elevation records and site inspect as necessary. (*Mitigation Measure G-3) (adopted by the Planning Commission on September 6, 2000)*

E-13

At Gaviota Creek, the permittee shall visually inspect the status of restoration efforts and the erosion at the pipeline crossing at least quarterly, and as requested by State Parks or Planning and Development, after installation of the new pipeline crossing. (These surveys shall be conducted at ground level, not from the air.) **Plan Requirements:** Written inspection reports shall be submitted to the Energy Division within 30 days of the inspections and surveys. PPC shall take any necessary corrective actions required to stabilize disturbed areas, as approved by the Energy Division. **MONITORING:** EQAP monitor to periodically inspect the restoration effort. *(Mitigation Measure G-4) (adopted by the Planning Commission on September 6, 2000)*

F. SURFACE AND GROUNDWATER

F-1. Downstream Flows During Construction

During construction of the pipeline across all perennial stream crossings, stream flows, if any, shall be diverted around construction areas to maintain downstream flows. Baseline water flows shall be maintained in coastal streams in order to avoid adverse impacts to lagoon or other sensitive habitats.

F-2. Sediment Retention Devices During Construction

Sediment retention devices that allow continued streamflow shall be installed directly downstream of stream crossings during construction.

F-3. Stream and River Crossings During Construction

For pipeline crossings at the following stream or river crossings: Tajiguas; Refugio; Gaviota; Nojoqui; Zaca; San Antonio Creeks, all additional perennial streams which the pipeline crosses: Santa Ynez; Sisquoc; and Cuyama Rivers, the permittee shall construct the buried pipelines during the months of low historical streamflow, in order to minimize erosion loss downstream and protect surface water quality. In the event of low winter rainfall, earlier construction may be approved by the Planning and Development Department and County Flood Control Agency.

F-4. Riparian Habitat Corridors During Construction

No staging areas shall be permitted within riparian habitat corridors.

F-5. Construction Contractors at Stream Crossings During Construction

During pipeline construction at stream crossings, construction contractors will minimize time of disturbance, narrow the construction ROW to the extent feasible, stabilize the disturbed areas immediately following construction of the crossing, and divert runoff waters around construction areas to maintain downstream flows.

F-6. Deleted.

F-7. Isolation Valves at Perennial Stream and River Crossings

The permittee shall install isolation valves on either side of all perennial stream and river crossings, including the Cuyama River, and/or as required by the Coastal Zoning Ordinance, unless the applicant can demonstrate that alternative methods will further reduce the potential leak impacts at the crossing site. These locations shall be identified prior to the Final Development Plan.

F-8. Freshwater Source During Construction

Prior to approval of the Final Development Plan, the permittee shall identify the freshwater source considered for supplying pipeline and facility construction activities including hydrostatic test water, and shall estimate the total quantity required. Any water obtained from coastal or inland sources shall not significantly disrupt streamflows, groundwater resources, or habitat resources. Water conserving devices shall be used where feasible. Any water used during construction, (exclusive of hydrostatic test water), shall contain no more than 5,000 parts per million total dissolved solids. Disposal of hydrostatic test water within the County shall be according to a plan approved by the Regional Water Quality Control Board, or by the Flood Control Agency. This information shall be provided to and approved by the Planning and Development Department as part of the Final Development Plan.

F-9. Hydrogeologic Investigations for Sensitive Areas

Prior to approval of the Final Development Plan, the permittee will perform detailed hydrogeologic investigations for the sensitive areas identified in the EIR/EIS, (Table 3-14). These investigations will be conducted by a State of California registered geologist or engineer and will include but not be limited to:

a) definition of groundwater depth, recharge sources, properties of overlying soils, hydraulic gradient, background water quality, and existing water uses.
b) inventory of existing wells from State or County Flood Control Agency records in an area extending down-gradient from the pipeline in the aquifer equal to the distance groundwater would move in one year at a velocity calculated from the maximum hydraulic conductivity of the specific aquifer, hydraulic gradient, and porosity. The down-gradient sensitive area will be determined by a registered geologist.

This information will be reviewed by the Planning and Development Department and used by the permittee to formulate the Groundwater Contamination portion of an Oil Spill Contingency Plan, Condition P-5. This portion of the Plan will include;

a) plans for monitoring and early detection of groundwater contamination, including aerial and ground surveys, pipeline pressure monitoring, and water sampling of strategic wells;
b) plans for notification of affected groundwater users, and the Emergency Services Coordinator;
c) clean-up response, reparations, restorations, and methods to determine and correct the contamination source; and

d) identification of emergency alternate water supplies.

F-10. Dam and Ditch Plugs in Pipeline Trenches by Aquifers

At the base of slopes where the ROW approaches sensitive aquifers as identified in the EIR/S that are at risk from oil spills and leaks, a dam or ditch plug will be used in the pipeline trench. The sensitive areas are those where the ROW follows 1) topographic slopes toward basins with shallow depth to water, 2) high vertical permeabilities, and 3) a high degree of groundwater use as indicated by the hydrogeologic investigations required as per condition F-9. These areas shall be identified in the Final Development Plan.

F-11. SSRRC Approval for All Creek and River Crossing Plans

Prior to the approval of the Final Development Plan, the System Safety and Reliability Review Committee shall review and approve submitted plans of all creek and river crossings in Santa Barbara County. Permitted development shall not cause or contribute to flood hazards or lead to the expenditure of public funds for flood control works.

G. AQUATIC BIOLOGY

G-1. Oil Spill Response Plan

Fueling and lubrication of construction equipment will not occur within 0.25 miles of any flowing streams. No more than 2 barrels of fuel shall be kept at construction sites, exclusive of pipeline construction equipment fuel tanks, within 0.25 miles of all perennial creeks. As part of the oil spill response plan, the permittee will submit plans for clean-up and restoration of affected areas in the event of a construction fuel spill.

G-2

For the Gaviota Creek Pipeline Lowering and Relocation project, all construction and grading plans shall show the precise location of the environmentally sensitive habitats within the project vicinity. **Timing:** The ESH areas should be designated on all plans prior to CDP approval. **MONITORING:** Planning and Development staff to check plans. *(adopted by the Planning Commission on September 6, 2000)*

G-3

For the Gaviota Creek Pipeline Lowering and Relocation project, during construction, washing of concrete, paint or equipment shall occur only in areas where polluted water and materials can be contained for subsequent removal from the site. Washing shall not be allowed near sensitive biological resources. An area designated for washing functions shall be identified. **Plan Requirements:** The applicant shall designate a wash off area, acceptable to Planning and Development, on the construction drawings. **Timing:** The wash off area shall be designated on all plans prior to CDP. The washoff area shall be in place throughout construction. **MONITORING:** Planning and Development staff shall check plans prior to approval of CDP and the EQAP monitor shall site inspect throughout the construction period to ensure proper use. *(Mitigation Measure B-2) (adopted by the Planning Commission on September 6, 2000)*

H. TERRESTRIAL BIOLOGY

H-1. Restoration, Erosion Control and Revegetation Plan

H-1(j) modified 12/16/92

Prior to issuance of the Coastal Development Permit and Land Use Permit, the permittee shall submit a Restoration, Erosion Control, and Revegetation plan for the final proposed pipeline route and the pump station sites. The plan shall be submitted to the Planning and Development Department for approval. Once approved, the plan shall be implemented by the permittee. Success of the restoration and revegetation plans shall be monitored by a qualified independent biologist who is in addition to the managing environmental coordinator (Condition C-1). The plan shall contain, but not be limited to, the following:

(a) Procedures for stockpiling and replacing topsoil, replacing and stabilizing backfill, such as at stream crossings, and steep or highly erodable slopes. Additionally, provisions shall be made for recontouring to approximate the original topography. Excess fill shall be disposed of off-site unless suitable arrangements are made with the property owner. Excess fill shall not be deposited in any drainage, or on any unstable slope.

(b) Specific plans for control of erosion, gully formation, and sedimentation, including, but not limited to, sediment traps, check dams, diversion dikes, culverts and slope drains. Plan shall identify areas with high erosion potential and the specific control measures for these sites.

(c) Procedures for containing sediment and allowing continued downstream flow at stream crossings, including scheduling construction activities during low-flow periods.

(d) Procedures for re-establishment of vegetation that replicates or is functionally equivalent to indigenous and naturalized communities along the alignment. These shall include: measures preventing invasion and/or spread of undesired plant species; restoration of wildlife habitat value; and restoration of native plant species and communities. The permittee shall consult with the County Farm Advisor and appropriate Ranch operators when developing procedures for revegetating areas used for cattle grazing and other agricultural uses;

(e) Procedures for restoration of riparian corridor stream and river banks and stream bed substrates and elevation;

(f) Procedures for minimizing all tree removal or tree root and branch damage, such as, flagging the corridor, keeping all disturbance to no more than the 100-foot pipeline right-of-way, feathering the right-of-way edges, providing for onsite monitoring of construction by a qualified independent biologist. In addition, special procedures are required for oak woodlands since County policy requires that these trees must not be cut down if feasible. Special procedures for oaks include reducing the right-of-way to the minimum width possible and minimizing the impact to the root zone of these trees;

(g) Procedures for replacement of native trees and large shrubs removed from the 100-foot temporary easement during construction across riparian and woodland, in particular oak woodland, habitat, with saplings of the same species propagated from materials obtained from the same area, including provision for supplemental irrigation as necessary and feasible to ensure establishment, and provisions for protection of saplings from grazing animals;

(h) A soil conservation program, to be applied in areas of 20 percent or greater slopes along the pipeline corridor.

(i) Procedures for incorporating landowner concerns in the plan. Any changes to the plan instigated by such concerns shall be approved by the Planning and Development Department.
(j) The permittee shall provide an endowment in the amount of $841,000 to fund implementation of the Alternative Oak Mitigation Program to reestablish oak savannahs and woodlands in Santa Barbara County. (Modified 12/16/92)
(k) The segment of the plan pertaining to Gaviota State Park shall be prepared in cooperation with the State Department of Parks and Recreation.

H-2. Impact Survey One Year After Construction

One year after construction, a survey will be conducted, at the permittee's expense, to determine the actual impact caused by construction. This survey shall include aerial photography, and as appropriate color stereo and infrared photography and field studies. The report will identify areas with potential for further impact, e.g., high erosion areas that will require immediate remedial measures. The survey shall also contain an examination of previous mitigation measures and present a list of additional feasible mitigations based on the impacts during construction and potential impacts caused by operation. The permittee and the Planning and Development Department shall agree to additional feasible mitigations. This process shall be repeated as often as necessary by the Planning and Development Department, but not more than annually.

H-3. Sensitive Habitat Areas

In those areas where trees and other habitats such as riparian areas and oak woodlands are to be avoided within the approved corridor and temporary (for construction only) extra work spaces, the permittee shall assure contractor compliance with this condition by marking and/or fencing those resources. These areas include, but are not limited to, the sensitive resources identified by the permittee and depicted on the 1" = 400' color aerial print photographs provided by the permittee and the Environmentally Sensitive Habitat (ESH) areas identified by the Planning and Development Department. The permittee shall avoid disturbance to the tarplant restoration site established by Texaco on State Park property.

H-4. Additional Mitigation

Additional reasonable and feasible conditions of mitigation, consistent with condition H-1 and to the extent necessary, shall be identified and observed as developed during the archaeological mitigation program (conditions L-1, L-2, L-3, L-6), and as identified by the managing environmental coordinator in consultation with the permittee's Onsite Construction Representative (condition C-1).

H-5. Deleted.

H-6. Herbicides During Construction

The permittee shall not use herbicides in wetland and riparian areas, and along the rest of the pipeline corridor during construction.

H-7. Fish and Game Permit (1603)

Prior to issuance of the Coastal Development Permit and Land Use Permit, the permittee shall receive a permit (1603) as required from the California Department of Fish and Wildlife. This permit should include provisions to ensure that the proposed construction schedule will not interfere with reproductive activities of regionally rare or rare, threatened or endangered bird, amphibian, and fish species or other species of special concern, in those environmentally sensitive habitats identified in the EIR/EIS and shall submit this confirmation to the Planning and Development Department. If the Department of Fish and Wildlife determines that the construction schedule will have an impact then the permittee will adhere to directives of the Department of Fish and Wildlife with respect to their permit requirements.

H-8. Deleted.

H-9. Hoffman's Nightshade Plan

The permittee shall minimize impacts to the population of Hoffmann's nightshade (*Solanum xanti var. hoffmannii*) found in the Gaviota Pass area. The permittee shall submit plans to enhance the recovery of this population to the Planning and Development Department for approval prior to issuance of the Coastal Development Permit and Land Use Permit.

These plans shall include provisions for removing any individual plants that would be affected, place them in large tubs, and replant them as near as possible to the original location (exclusive of the operation Right-of-Way) after construction; and gathering seeds prior to issuance of the Coastal Development Permit and Land Use Permit from the population of Hoffmann's nightshade located in the Gaviota Pass area and planting them in and near the ROW after construction. This shall be done under the supervision of a biologist approved by the Planning and Development Department and in cooperation with the California Parks Department; this biologist may approve modifications to these techniques based on season of the year and state of dormancy.

H-10. Catalina Mariposa Lily Plan

The permittee shall minimize impacts to the population of Catalina Mariposa lily (*Calochortus catalinae*) found in the Gaviota Pass area. The permittee shall submit plans to enhance the recovery of this population to the Planning and Development Department for approval prior to issuance of the Coastal Development Permit and Land Use Permit. These plans shall include provisions for gathering of seeds from the population found in or near the ROW prior to construction, planting the seeds in or near the ROW after construction (exclusive of the operation ROW), conserving the upper 18-24 inches of heavy clay soil which contains the plant's bulb-like corms found in the vicinity of the plants prior to construction, and then, after construction, replacing this soil which holds the plant's bulb-like corms. This shall be done under the supervision of a biologist approved by the Planning and Development Department and in cooperation with the California Parks Department; this biologist may approve modifications to these techniques based on season of the year and state of dormancy.

H-11. Refugio Manzanita Plan

The permittee shall minimize impacts to the population of Refugio Manzanita (*Arctostaphylos refugioensis*) found in Gaviota Pass area and affected by the proposed construction activities. The permittee shall submit plans to enhance the recovery of this population to the Planning and

Development Department for approval prior to issuance of the Coastal Development Permit and Land Use Permit. These plans shall include provisions for gathering seeds and taking cuttings from the population of Refugio Manzanita found in and adjacent to the ROW prior to construction, and provisions for the planting of the seeds and plants propagated from cuttings in the final construction alignment (exclusive of the operation ROW) after construction. This shall be done under the supervision of a biologist approved by the Planning and Development Department and in cooperation with the California Parks Department; this biologist may approve modifications to these techniques based on season of the year and state of dormancy.

H-12. Restoration, Revegetation and Implementation Plan

The permittee shall prepare a Restoration, Revegetation and Implementation section as part of the Oil Spill Contingency Plan (P-5). The section shall be reviewed and accepted prior to start-up by the Planning and Development Department and a biologist approved by the Planning and Development Department. The section shall be submitted sufficiently prior to the permittee's projected start-up date so as to allow reasonable time for staff review. Reasonable costs of review shall be borne by the applicant. The section shall contain site-specific restoration information for all habitat types including stream crossings, wetlands/lagoons, oak woodlands, grasslands, riparian zones, and other environmentally sensitive habitats. The section shall be divided into three major areas: a) Coastal, b) Streams and Rivers and c) Terrestrial habitats. Each of these sub-sections shall discuss the various habitats in the categories listed above. Methods to achieve restoration of all affected areas to their prespill conditions shall be discussed.

H-13. Pump Station Landscaping

Prior to issuance of the Coastal Development Permit and Land Use Permit, the permittee shall submit to the County Board of Architectural Review, and the Planning and Development Department site-specific plans for landscaping of any pump station not within other required project vegetation screens. This plan shall, at the permittee's expense, be reviewed by a qualified landscape architect and a biologist approved by the Planning and Development Department to insure the proper plant materials and procedures identified in these conditions are implemented. These plans shall be developed in consultation with the property owner. The plan shall include:

(a) The specifications of any potential seed mixtures to be utilized, including the plant species in the mixture and the pounds of seed per acre to be applied; type of mulch (fiber, chemical tackifier or straw); the type and amount of fertilizer; and any provisions for irrigation;

(b) Confirmation that all native or non-native plant materials proposed in the revegetation plan are compatible with indigenous vegetation and that none of the plants used is known to be weedy or invasive. The plan shall provide for plantings that will screen facilities from view. This vegetation screening shall also be designed to reduce nighttime lighting and noise. Near chaparral or other high fire hazard areas, the seeds or seedlings will consist of native or non-native species, shown to contain fire retardant properties (such as toyon) and shown to be fast growing;

(c) The specifications for native seeds and seedlings that will have wildlife habitat and food value. All perennial plants, and all woody plants are to be propagated from material obtained from the same area. Native plant material is to be obtained from a revegetation contractor. All native materials will be ordered from the contractor in advance of construction activities.

(d) Confirmation that non-native material is to be confined to disturbed areas immediately adjacent to structures needing visual screening. Such screening is to include fast growing plants adequate to screen the facility from direct view;
(e) A detailed irrigation plan if feasible for all revegetated areas requiring irrigation for establishment of plant materials;
(f) The permittee's commitment for continual monitoring of the revegetation so that weeds will be minimized.

H-14. Landscaping and Revegetation Bonds

Prior to issuance of the Coastal Development Permit and Land Use Permit, the permittee shall post a bond or other security agreement approved by the County Counsel to ensure that all landscaping and revegetation programs are completed to the County's specifications.

H-15. Release of Landscaping and Revegetation Bonds

Prior to issuing a release from the bond or other security agreement, a biologist and landscape architect hired by the County, at the permittee's expense, shall conduct a field review of all revegetated and landscaped areas, to insure consistency with the intent and specifications of the revegetation and landscape plan. Necessary repairs or changes in landscaping or revegetation shall be made at the permittee's expense.

H-16. California Endangered Species Inventory

Prior to approval of the Final Development Plan, a qualified biologist approved by the Planning and Development Department will conduct site-specific field inventories for California state-listed species, as mandated by the intent and general provisions of Assembly Bill No. 3309, the California Endangered Species Act. The biologist will perform the surveys of the 100-foot ROW in areas suspected of having any of the species of special concern as identified in Appendix B Table B-6, DEIR/S, except for the peregrine falcon, least Bell's vireo, and Parish's sidalcea. Surveys for these species will be conducted prior to construction. The California Department of Fish and Game will be consulted concerning appropriate methods for survey as well as appropriate mitigation measures if these species are found on the ROW. Additional mitigation shall be developed and executed by the permittee-based on these surveys if determined necessary by the Planning and Development Department.

H-17. Raptor Nesting Habitat Survey

Prior to issuance of the Coastal Development Permit and Land Use Permit, a wildlife biologist approved by the Planning and Development Department will survey all potential raptor nesting habitats within 0.5 miles of the pipeline, to identify active and inactive nests and potential perch sites cleared by ridge-top construction. No construction will occur within 0.5 miles of active eyries during nesting season as determined by the biologist. Construction may be permitted by the Planning and Development Department in consultation with the biologist near inactive nests provided nest sites are not disturbed. Where deemed necessary by the California Department of Fish and Wildlife biologists, raptor perch or roost trees will be avoided and/or artificial roosts will be constructed on ridgelines to mitigate losses of such trees resulting from clearing the ROW on ridge tops.

H-18. Construction ROW Through Riparian Habitats

The permittee shall limit the width of the construction ROW through all riparian habitats to the extent feasible. The permittee shall submit a plan indicating the location and size of the construction ROW through all riparian habitats. These plans shall be approved by the Planning and Development Department prior to the Final Development Plan.

H-19. Construction ROW Designed to Avoid Trees

The construction ROW shall be routed to avoid trees to the maximum extent feasible. When this is not possible, dying or diseased trees shall be removed preferentially over healthy trees.

H-20. Suey Canyon Oak Woodland

The permittee shall minimize impacts to the oak woodland in the Suey Canyon area. This shall be done by using existing disturbed areas and by narrowing the construction corridor to the extent feasible by working on top of the spoils pile or selectively removing spoils, selectively removing trees (e.g. dying, or diseased trees) and revegetating to enhance re-establishment of oak saplings and/or similar mitigation.

H-21. Los Alisos Creek Crossing

The permittee shall align the pipeline route in the vicinity of the Los Alisos Creek crossing in order to minimize the amount of riparian habitat disrupted.

H-22. Parish's Checkermallow Field Survey

Prior to the issuance of the Land Use Permit, a qualified biologist approved by the Planning and Development Department shall conduct a site-specific field survey for the Parish's checkermallow along the approved right-of-way in potential habitat areas in the North County. Should any individuals be found along the right-of-way, the permittee shall employ mitigation measures approved by the Planning and Development Department to enhance the reestablishment of the species along the ROW (e.g., transplanting individuals).

H-23. Gaviota Tarplant Plan

The permittee shall minimize impacts to the population of Gaviota tarplant (*Hemizonia increscens* ssp. *villosa*) found in the Gaviota area. The permittee shall submit a plan to enhance the recovery of this population to the Planning and Development Department for approval prior to issuance of the Coastal Development Permit. This plan shall include provisions for ensuring the preservation of the current seed crop and seed stored in topsoil (seed bank) onsite. This shall be done under the supervision of a biologist approved by the Planning and Development Department.

H-24. Restoration of Construction Work Areas

Impacts to existing vegetation within the temporary (for construction only) extra work space areas shall be minimized to the extent feasible. All disturbed areas, including temporary extra work spaces, shall be restored and revegetated pursuant to the permittee's approved Restoration, Erosion Control, and Revegetation Plan (Condition H-1). Any grading of the temporary extra work space areas will require a separate Coastal Development Permit.

Use of the temporary (for construction only) extra work space areas on slopes greater than 30 percent shall be limited to spoil placement. Right-of-way restoration and revegetation on slopes greater than 30 percent shall be initiated immediately upon completion of pipeline installation.

H-25

The permittee shall implement a project specific revegetation and restoration plan for the Gaviota Creek Pipeline Lowering and Replacement project. The plan shall include, but not be limited to the following measures:

- Landscaping in the riparian corridor shall consist of native riparian species including willow (*Salix lasiolepis, S. laevigata*), mule fat (*Baccharis salicifolia*), wild blackberry (*Rubus ursinius*), California wild rosa (*Rosa californica*) at a minimum density of 3 feet on-center. Planting stock shall be obtained from the Gaviota Creek drainage.
- The new plantings shall be irrigated as necessary to promote establishment.
- Plantings shall be fenced or otherwise protected from browsers as deemed necessary by the EQAP monitor.
- Non-native species including tree tobacco (*Nicotiana glauca*), castor bean (*Ricinus comunis*), mustard (*Brassica sp.*), star thistle (*Centaurea sp.*) shall be removed from the creek within the project area.
- Upland areas disturbed by construction shall be recontoured to pre-existing conditions (to the extent feasible) and revegetated consistent with the Restoration, Erosion Control and Revegetation Plan approved for the original pipeline project.

The plan shall include pre-established performance criteria to be used in final evaluation for bond release. **Plan Requirements:** Prior to CDP approval, the applicant shall submit the revegetation and restoration plan, prepared by a Planning and Development approved biologist, to Planning and Development for review and approval. The $350,000 performance bond already in place for the original project shall cover performance security for the project. **Timing:** The plan must be approved prior to CDP approval. Revegetation and removal of non-natives shall be done so as to coincide with the onset of seasonal rainfall. **MONITORING:** Planning and Development staff shall site inspect for restoration. Maintenance shall be confirmed through site inspections. *(Mitigation Measure B- 1 and V-1) (adopted by the Planning Commission on September 6, 2000)*

H-26

The permittee shall comply with the mitigative provisions of the following documents:

- NMFS Biological Opinion, December 31, 1998
- USFWS Biological Opinion, January 15, 1999
- ACOE Nationwide Permit, February 22, 1999
- CDFW Streambed Alteration Agreement, March 26, 1999
- NMFS Biological Opinion, May 31, 2000

These permits and mitigation measures are considered part of the project description. **Plan Requirements:** These conditions shall be printed on all construction plans. **MONITORING**: P&D staff to ensure compliance with other agency permits. EQAP monitor to spot check in the field. *(Mitigation Measure B-3) (adopted by the Planning Commission on September 6, 2000)*

I. SOCIOECONOMICS

I-1. Oil and Gas Industry-Wide Monitoring and Mitigation Program

The cumulative impacts of oil and gas industry projects are expected to be significant to Santa Barbara County. Therefore the permittee shall participate in an oil and gas industry wide monitoring and mitigation program to address socioeconomic impacts identified as significant environmental impacts attributable to their project. For projects such as pipelines, only the construction phase is expected to cause significant impacts, and the permittee's participation in the program shall be limited to that phase. The criteria for allocating the costs of the monitoring and mitigation program and its mitigation requirements will be uniformly applied to all industry participants.

The intent of this program is to obtain realistic information regarding impacts identified in the EIR/EIS, and to allow impacted jurisdictions to require mitigation for project-related impacts. Mitigation of impacts through other planning programs, and/or through existing administrative infrastructure shall be taken into account. The scope of this program is detailed below. As subsequent details in the structure of the Program are developed by the County, such details shall supersede portions of this condition as appropriate.

The purpose of the Monitoring and Mitigation Program is to accurately assess the impacts of the permittee's proposed development, including those in the following socioeconomic areas:

a. Temporary housing needs, particularly demand for state and other park campsites, recreational vehicle parks, motel-hotel rooms and rental housing;
b. Longer term (more than one year) housing needs, particularly low and moderate income housing needs, and associated water demands, south coast Santa Barbara County;
c. Public finance;
d. Transportation of workers and materials to and from the site.

At any point when the Board of Supervisors determines that the monitoring program demonstrates that previous mitigation funds paid by the permittee exceed the valuation of the impacts at issue, the permittee shall be granted a credit against any other current or future mitigation fees imposed on the permittee for this permit by the County. The permittee shall be entitled to accrued interest at the prevailing legal rate which shall continue to accrue until the credit is used.

The Monitoring and Mitigation Program will be administered and staffed by the County of Santa Barbara, Department of Regional Programs. A Technical Advisory Committee will provide assistance and input in the documentation of significant adverse impacts and proposals to mitigate these significant impacts.

The Technical Advisory Committee will be composed of: two representatives from Santa Barbara's cities appointed by the Mayor's Select Committee and representing north and south county interests; one representative (each) from San Luis Obispo and Santa Barbara counties; and one representative from each affected oil and gas company (to the number of representatives agreed upon). The permittee will be included in the committee until the permittee submits its resignation.

In the event of unresolved technical issues in the area of methodology and calculation of socioeconomic impacts, there shall be a Technical Arbitration Group. The Technical Arbitration Group shall be composed of three individuals without ties to either the County or the permittee, one to be selected by the County Board of Supervisors, one selected by the oil and gas company representatives and the final member selected by the first two members. All Technical Arbitration Group decisions shall be appealable upon written request to the Board of Supervisors. Subsequent details on voting procedures and conflict resolution will be proposed by the Department of Regional Programs and reviewed by the Board of Supervisors in a noticed public hearing.

Prior to approval of the Final Development Plan for this project, the monitoring and mitigation program will be refined. Based on information in the EIR/EIS and on other data as appropriate, practical thresholds which trigger the necessity for mitigation will be developed and adopted by the Department of Regional Programs with input from the Technical Advisory Committee. These thresholds will recognize the normal growth incorporated in County plans, prior and existing industry activity, and the decline of the industry if no further permitting is allowed. Methodologies used to establish thresholds and impacts will be developed in consultation with the Technical Advisory Committee.

The need for mitigation will be determined when threshold levels are exceeded as shown by monitored activities and other data as appropriate. The Department of Regional Programs will recommend a mitigation action to the County Board of Supervisors. The Technical Advisory Committee will assist in making the assessment and recommendations. The monitoring and mitigation program will continue through all stages of construction.

The monitoring, impact and mitigation elements of the program would be equivalent to those described in the Chevron Gaviota Project conditions, but modified as appropriate for the nature of the pipeline project.

I-2. Housing for Temporary Construction Workers

Prior to approval of the Final Development Plan, the permittee shall submit to the County Department of Regional Programs a plan which details how they plan to house temporary construction workers for every month of construction. This plan, to be implemented by the permittee, shall demonstrate how the permittee plans to reduce the housing impacts identified as part of the plan; e.g. exactly how much housing is needed, where it is needed and for how long; but not limited to, the following examples:

(a) Use of existing under-utilized hotel/motel space during the months of September through May to provide for temporary living quarters for direct construction workers by month; identification of incentives to all the direct construction workers such as rent subsidies and/or shuttle service to the site.

(b) Use of any available housing outside the South Coast area for all workers associated with the project during the summer months when visitor-serving facilities in the South Coast area are at capacity. Incentives for workers shall be identified such as rent subsidies and shuttle service for all workers commuting to the job site.

(c) Methods to limit worker use of public campgrounds as living quarters. If it cannot be shown that the impact will be reduced from the estimate, the permittee shall make a donation to the California State Parks or to Santa Barbara County Parks for the development of new campsites to offset their worker use of campsites. The donation shall

be made prior to receipt of the building permit and determined by multiplying the estimated cost per developed campsite times 15. If it is shown by the Regional Programs Department and the Technical Advisory Committee that there is significant impact, the above-mentioned groups shall propose mitigation.

At any point when the Board of Supervisors determines that the monitoring program demonstrates that previous mitigation funds paid by the permittee exceed the valuation of the impacts at issue, the permittee shall be granted a credit against any other current or future mitigation fees imposed on the permittee for this permit by the County. The permittee shall be entitled to accrued interest at the prevailing legal rate which shall continue to accrue until the credit is used.

I-3. Construction During Peak Tourist Seasons

The pipeline construction period will be scheduled so as not to coincide with peak tourist seasons within each construction area in Santa Barbara County, provided that this scheduling does not interfere with any other conditions in this permit with respect to timing, in particular requirements regarding construction during stream and river low-flow. If such a conflict is found, than additional measures must be taken to provide the temporary housing needs for construction workers.

I-4. Deleted.

I-5. Utilization of Local Labor

The permittee shall include provisions in its contractor agreements specifically to encourage and promote employment from local labor so as to reduce the impacts associated with the in-migration of workers.

I-6. Project-Related Utilities and Services

Except as otherwise provided herein, if the Socioeconomic Monitoring Program shows that project-related revenues will not compensate for needed capital or operating expenditures necessary to provide project-related utilities and services additional mitigation will be required.

I-7. Distributing Oil Related Revenues

In the event that state and/or federal revenue sharing legislation directed at distributing oil related revenues to state or local governments is approved or Santa Barbara County levies a tax (special or otherwise) on oil and/or gas processed or transported under this permit, then any condition herein requiring payments or other items of value by the permittee to Santa Barbara County or any political subdivision thereof shall automatically be suspended pending a review by the County to determine the extent, if any, which the tax, revenue sharing, or any of the fees imposed are duplicative or unwarranted either as to the level of government services provided or the level of burdens imposed on the public.

J. LAND USE AND RECREATION

J-1. Property Owner Notification of Construction

Prior to construction, the entire pipeline ROW corridor shall be prominently staked. All affected property owners along the pipeline route shall be notified in writing at least 30 days prior to the commencement of any pipeline construction on their property, and at least 15 days in advance of any deviation from the staked corridor which crosses their property.

J-2. Mainline Pipeline Construction Time Lines

All mainline pipeline construction activities except river, perennial coastal stream, and ESH area crossings as specified in condition H-7, once started, shall proceed in a diligent and expeditious manner and shall be completed within nine months after the starting date, subject to necessary and/or unanticipated time extensions approved by County, in consultation with affected property owners.

J-3. Pipeline Construction Work Hours

Pipeline construction activities shall be limited to the period between 7 a.m. and 7 p.m., Monday through Saturday. Except for emergency services, construction activities shall not take place on Sundays, the dates generally recognized for Memorial Day, July 4, Labor Day, or any other similarly recognized holiday, unless previous arrangements have been made with the affected property owners.

J-4. Privacy and Security of Property Owners During Construction

Prior to approval of the Final Development Plan, the permittee shall consult with affected property owners to develop reasonable and mutually satisfactory controls for maintaining the privacy and security of affected properties while construction is in progress.

J-5. Property Owner Notification of Construction Within 48 Hours

Unless easements have been obtained from affected property owners or unless otherwise agreed to by affected property owners, the permittee shall provide affected property owners written notice at least 48 hours prior to the start of construction on their property, which shall include:

a) Description of vehicles using roads on the property, including type, size, identification, proposed times of entry and departure, destinations, and the intended route to the destination. (Fire, medical, or similar emergency vehicles can enter as necessary.) Significant changes in the schedule of construction-related vehicular traffic shall be allowed within the 48-hour advance noticing subject to direct communication (e.g. telephone, personal communication) by the permittee with the affected property owners;
b) Description of estimated construction schedule across the property. Any blasting necessary during construction shall be noticed to all property owners within a one mile radius of the blasting area;
c) Description of times of limited access through and across the property, such as road closures on the property, indicating specific location, time and duration of the limited

access or closure. Road closure is considered to include partial road blockage or disturbance. Suitable vehicular by-pass shall be provided during all closures;

d) Description of any probable hazard or other unsafe condition during the pipeline construction period, indicating the nature of the hazard, the area in which the condition will occur, and the time and duration of the activity. The permittee and its contractors shall take prompt and adequate action to correct any hazard or damage that does occur during construction, and shall provide appropriate noticing as per other parts of this condition;

e) Description of helicopter and/or vehicle reconnaissance schedules for pipeline maintenance, indicating times, stops, and duration. The permittee shall establish and enforce appropriate rules for its personnel and its contractors to assure that they will not be in the area except when necessary to carry out construction, inspection, repair and maintenance activities, or emergency services;

f) Description of schedule for cutting any fences or similar barriers during pipeline construction.

J-6. Deleted.

J-7. Property Owner's Fences/Barriers During Construction

Unless easements have been obtained from affected property owners or unless otherwise agreed to by affected property owners if and when fences or other similar barriers must be cut during pipeline construction, the permittee shall provide advance notice to the affected property owner, and shall replace the function of the cut fence before the cut is made to the satisfaction of the property owner, and the permittee and its contractors shall restore all fences that have been cut, moved, or damaged to at least their condition prior to pipeline construction, except that gates or similar structures may be added as approved to provide access.

J-8. Utility Lines and Services During Construction

Interruption of telephone, electrical power, water or other utility services shall be minimized to the extent feasible during the pipeline construction period. The permittee, or its contractors, shall contact each property owner or the appropriate utility regarding the location of utility lines, and all such utility line locations shall be staked by the permittee or its contractors prior to the start of construction on the affected property.

J-9. Compliance with All Applicable County Statutes, Etc.

During the pipeline construction period in the County, the permittee and its contractors shall comply fully with all applicable statutes, ordinances, rules and regulations, including traffic regulations, of the County.

J-10. Proof of ROW Prior to Construction

Prior to entering upon any parcel of property for purposes of commencing construction, the permittee shall demonstrate to the Planning and Development Department that it has obtained a right-of-way for such parcel or otherwise has obtained the right to enter the property for purposes of constructing the pipeline.

J-11. Restricted Use of ROW After Construction

Following installation of the pipeline, use of the right-of-way is restricted to operational maintenance of the pipeline except where expressly permitted by the easement or landowner and consistent with other regulations and conditions.

J-12

The permittee shall implement the sign plan approved by State Parks, and dated August 11, 2000, prior to beginning work on the Gaviota Creek Pipeline Lowering and Relocation project. **MONITORING:** EQAP monitor to check in field. *(adopted by the Planning Commission on September 6, 2000)*

K. TRANSPORTATION

K-1. Worker Transportation Program

Prior to issuance of the Coastal Development Permit and Land Use Permit, the permittee shall submit to the Planning and Development Department and the Department of Public Works, Road Division a worker transportation program designed to minimize traffic-related impacts. The plan shall identify on- and off-site parking areas, access routes, shuttle program to reduce number of working vehicles on and along pipeline construction corridor, measures to avoid traffic conflicts with residents using all roads affected, number of vehicles accessing the facilities sites and incentives for ride-pooling/van-pooling to the sites. Construction worker traffic and parking shall not interfere with normal and reasonable uses of private property or recreational areas. This Construction Traffic Mitigation Plan shall be submitted by the permittee and approved by County prior to initiation of construction. The program must consider both the permittee employees and contractors.

K-2. Permanent Parking Areas at the Pump Stations

Any new permanent parking areas at the pump stations shall be screened from public view pursuant to the landscape plan approved by the Board of Architectural Review.

K-3. Engineering Plans for All Pipeline Crossings of County Roads

The final engineering plans and procedures for all pipeline crossings of County roads must be approved prior to issuance of the Land Use Permit and Coastal Development Permit by the Department of Public Works. Notification of such approval must be submitted to the Planning and Development Department prior to construction at the site.

K-4. Pipeline Construction Activity Limited to ROW

All pipeline construction activity, except ingress and egress along routes approved by the Planning and Development Department and in consultation with affected property owners, shall be limited to the final staked right-of-way on the final approved pipeline route. Use of any private roads or other areas shall be allowed only after advance approval from the affected property owners.

K-5. Mitigation Plan for Impacted County Roads

Prior to the Final Development Plan, the permittee must submit to the Public Works Department for approval a plan to mitigate impacts to all County roads which will be used during construction. This plan will include the type of vehicles and machinery which will traverse the roads, the frequency of road use for each piece of equipment and vehicle, and the gross vehicle weights loaded and unloaded. This includes the above information for trucks carrying pipe, fuel, construction supplies, or construction crews through the County to the construction spreads. This plan shall include an agreement with the County to repair any obvious damage to the satisfaction of the Public Works Director and any reasonable fees associated with eventual reconstruction caused by project-related damages of the public roads. Prior to drafting this agreement, County shall coordinate with the permittee in compiling a list of County roads which will be used for construction of the pipeline. The permittee shall demonstrate property owner (or Court) approval of private road maintenance plans or terms on privately owned parcels to the Planning and Development and Public Works Department prior to entering upon said parcels for purposes of commencing construction.

K-6

If repairs are necessary to roads used by construction equipment for the Gaviota Creek Pipeline Lowering and Relocation project, the permittee shall either complete the repairs or provide funding as determined by State Parks, County Public Works or Caltrans. **MONITORING:** EQAP monitor to visually inspect roads before and after the construction period. *(adopted by the Planning Commission on September 6, 2000)*

K-7

The permittee shall provide workers at the access road gate and the work site to manage traffic by radio for the duration of the Gaviota Creek Pipeline Lowering and Relocation project. The permittee shall coordinate with PAPCO/PANGL and any subcontractor normally requiring access to the site. **MONITORING:** EQAP monitor to check in field. *(adopted by the Planning Commission on September 6, 2000)*

L. CULTURAL RESOURCES

L-1. Cultural Resources Surveys Plan

Prior to approval of the Final Development Plan, the permittee shall submit a plan detailing the methods for the Phase I (walkover) and Phase II (site importance assessment) cultural resources surveys. In addition, the permittee shall submit all Phase I cultural work completed to date. These reports shall be approved by the Planning and Development Department as part of the Final Development Plan. Prior to issuance of the Land Use Permit and Coastal Development Permit, the permittee shall complete Phase I and Phase II cultural resource surveys for the entire route. The results of these surveys shall be approved by the Planning and Development Department prior to issuance of said permits. The permittee shall avoid to the maximum extent feasible all known cultural resource sites along the pipeline route unless safety (e.g. seismic or engineering practices) considerations or sensitive biological habitats preclude avoidance.

L-2. Cultural Resources Mitigation Plan

Prior to issuance of the Coastal Development Permit and Land Use Permit, the permittee, in consultation with the Native American Community, shall commence the cultural resources mitigation plan, in accordance with CEQA Appendix K, County approved Prehistoric Archaeological Guidelines, and section 4.1.1.11, Cultural Resources, of the EIR/EIS. Implementation of the mitigation plan shall proceed on an expeditious and effective schedule in order to minimize or to avoid conflicts with other construction scheduling requirements delineated in other permit conditions. The main components of the mitigation plan shall include:

a) Selection of a qualified archaeologist by the County Resource Management Department in consultation with Native American representatives. The archaeologist shall be available on an as-needed basis through the completion of pipeline construction. The archaeologist shall be funded by the permittee and shall be responsible to the County Planning and Development Department. Compensation shall cover all excavation, analysis, and report preparation for all areas investigated including those found during construction;
b) Avoidance of known sites wherever feasible;
c) Test excavations of known sites that cannot be avoided. These test excavations will assess the importance of each site according to CEQA Appendix K criteria or other requirements and will result in appropriate data recovery as a mitigation measure;
d) Inclusion of Native American representatives in all field activities;
e) Additional sub-surface sampling (use of shovel test pits) in defined sensitive areas which will be affected by project construction to confirm the presence/absence of previously unknown (undiscovered) sites. This will include surveying of proposed construction access road areas, once identified by the permittee. Any new sites found shall be treated as per condition L-2(b, c);
f) Following the determination of site importance, the permittee shall inform the County of any additional plans for site avoidance. For those sites not avoided, the consulting archaeologist shall, in consultation with the Native American community, prepare site-specific mitigation (excavation/data recovery) plans; and
g) Implementation and completion of the field work aspects of the site-specific mitigation plans prior to construction in the vicinity of the resource.

L-3. Pre-Construction Workshop with Native Americans

Prior to pipeline installation activities, the permittee shall sponsor a workshop for its pipeline contractors and Native American consultants to review and explain the mutual concerns and activities of the parties during pipeline installation work.

L-4. Archaeologist and Native American On-Site During Construction

During pipeline installation, a Planning and Development Department approved archaeologist and Native American consultant(s) will work with the contractor during trenching to insure continued avoidance. Adequate monitors shall be provided pursuant to an agreement between the Native American representatives and the permittee, and the archaeologist retained.

L-5. Ownership of Non-Burial Associated Cultural Resource Artifacts

If non-burial associated cultural resource artifacts are recovered during pipeline installation (the location of such artifacts being unknown prior to installation), ownership of such artifacts shall be

the option of either the permittee, the Native American Community, or the archaeological community. In recognizing the origin of the materials, the Native American Community shall have the first option for ownership. The disposition of the artifacts shall be carried out as per the approved County guidelines.

L-6. Burial Associated Artifacts Found During Construction

If burials or burial associated artifacts are found during installation (that were unknown prior to excavation), and cannot be avoided because of safety considerations, there shall be no further excavation or disturbance of the site. The permittee, in conjunction with the Native American representatives and the Planning and Development Department, shall adhere to the guidelines in CEQA Appendix K and the County Archaeological guidelines prior to continued construction activity in the site area.

L-7. Phase II Cultural Resource Guidelines

If the County cultural resource guidelines for Phase II are modified and approved prior to November 19, 1985, the permittee shall abide by the requirements set forth in the guidelines in place at the time of Final Development Plan approval.

L-8

For the Gaviota Creek Pipeline Lowering and Relocation project, construction envelopes shall be restricted to those areas shown on the site plans dated 8/4/99, in order to avoid impacts to the cultural resources. No construction, earth disturbance or construction equipment shall occur or operate outside of these areas. Subsurface structures including septic systems and utilities and accessways including roads, driveways and utilities shall not be placed outside the envelopes. Envelope boundaries shall be staked in the field. Prior to vegetation removal, the proposed easternmost staging area must be delineated and an archaeologist must verify that the staging area is not located over either of CA-SBA-2067/H's recorded historic adobe foundations or that adequate matting (as determined by the Gaviota State Park's archaeologist) is placed over the foundations. **Plan Requirements:** Construction envelopes shall be shown on all grading and building plans. This condition shall be noted on all final plans to describe the activities disallowed outside the approved envelopes. **Timing:** Construction drawings shall be submitted to Planning and Development prior to CDP. Envelopes shall be staked prior to start of grading or structural development. **MONITORING:** During plan check, the planner shall ensure that all construction is to occur within approved envelopes. Staking shall be checked during pre-construction meeting. Planning and Development's EQAP monitor and planners shall inspect and photo document during all construction phases to ensure development is confined to construction envelopes and that staking remains in place during site grading and construction. *(Mitigation Measure AR-1) (adopted by the Planning Commission on September 6, 2000)*

L-9

At the commencement of project construction for the Gaviota Creek Pipeline Lowering and Replacement Project, the archaeological monitor shall give all workers associated with earth-disturbing procedures an orientation regarding the possibility of exposing unexpected cultural remains and directions as to what steps are to be taken if such a find is encountered. **MONITORING:** EQAP monitor to verify orientation is conducted at meeting. *(Mitigation Measure AR-2) (adopted by the Planning Commission on September 6, 2000)*

L-10

For the Gaviota Creek Pipeline Lowering and Replacement project, all earth disturbances including scarification and placement of fill within the archaeological site area shall be monitored by a Planning and Development-qualified archaeologist and a Native American Consultant pursuant to County Archaeological Guidelines. **Plan Requirements and Timing:** Prior to commencing work, a contract or Letter of Commitment between the applicant and the archaeologist, consisting of a project description and scope of work, shall be prepared. The scope of work must be submitted to Planning and Development for review and comment. **MONITORING:** Planning and Development planners shall confirm monitoring by archaeologist and Planning and Development's EQAP monitor shall spot check field work. *(Mitigation Measure AR-3) (adopted by the Planning Commission on September 6, 2000)*

L-11

In the event archaeological remains are encountered during grading for the Gaviota Creek Pipeline Lowering and Replacement project, work shall be stopped immediately or redirected until a Planning and Development qualified archaeologist and Native American representative are retained by the applicant to evaluate the significance of the find pursuant to Phase 2 investigations of the County Archaeological Guidelines. If remains are found to be significant, they shall be subject to a Phase 3 mitigation program consistent with County Archaeological Guidelines and funded by the applicant. **Plan Requirements/Timing:** This condition shall be printed on construction drawings and submitted to Planning and Development prior to CDP. **MONITORING:** EQAP monitor shall spot check in the field. *(Mitigation Measure AR-4) (adopted by the Planning Commission on September 6, 2000)*

L-12

If human remains are unearthed during the Gaviota Creek Pipeline Lowering and Replacement project, State Health and Safety Code Section 7050.5 requires that no further disturbance shall occur until the County Coroner has made the necessary findings as to origin and disposition pursuant to Public Resources Code Section 5097.98. If the remains are determined to be of Native American descent, the coroner has 24 hours to notify the Native American Heritage Commission (NAHC). The NAHC will then contact the most likely descendent of the deceased Native American. **Plan Requirements/Timing:** This condition shall be printed on construction drawings. **MONITORING:** EQAP monitor shall spot check in the field. *(Mitigation Measure AR-5) (adopted by the Planning Commission on September 6, 2000)*

M. VISUAL RESOURCES

M-1. Board of Architectural Review Approval

All facility design (e.g. pump stations, landscaping and signs), shall be in accordance with a plan approved by the County Board of Architectural Review (BAR) including the criteria outlined in the Coastal Zoning Ordinance Section 35-87.9 and Section 35-184. Prior to the issuance of the Land Use Permit and Coastal Development Permit, the permittee shall submit to the BAR and the Planning and Development Department and obtain their approval of a plan demonstrating that Conditions M-2 through M-5 are met. For visual screening of surface equipment along the pipeline route, the permittee shall consult with each affected property owner during development of the associated landscaping plan.

M-2. Exterior Lighting

No unobstructed or unshielded beam of exterior lighting shall be directed towards any area outside the exterior boundaries of PPC's property or easement. Any lighting along roadways within the project shall utilize low intensity, ground level, shielded fixtures. The plan shall demonstrate that all feasible measures have been taken to reduce obtrusive night lighting and glow from the pump stations.

M-3. Pump Station Facilities Lighting

To the extent feasible no glare or other radiation resulting from pump station facilities, other than lighting fixtures constructed pursuant to this Development Plan, shall be detectable at any point along or outside the required screening along exterior boundaries of the pump stations.

M-4. Painting of Pump Stations Prior to Pipeline Operation

Prior to the pipeline operation, the Gaviota pump station, visible from Highway 101 and the Gaviota Village, the Sisquoc pump station visible from public viewshed, and all above ground portions of the pipeline shall be painted to harmonize with the surrounding area.

M-5. Visibility of Above-Surface Structures

No above-surface structures except necessary pipeline markers, pump stations, cathodic test stations, necessary fencing, and block valves shall be visible along this route after the completion of pipeline construction. Signs shall not detract from scenic areas or views from public roads to the extent feasible.

M-6. Determination of ROW in Gaviota State Park

Prior to construction, the permittee will review the feasibility of implementing mitigation measures and/or realignments in the Gaviota State Park area to avoid blasting of ridgetops and alteration of topography in a scenic area. The permittee shall submit a plan to the Planning and Development Department, for review and approval, which identifies the feasibility of shifting the ROW alignment to the west, leaving the ridge profile undisturbed. The plan shall include an investigation of utilizing prefabricated pipeline bends to allow for alignment around ridgetops, the use of stepped benches in steep terrain, and the future use of such a corridor for additional pipelines.

M-7

Any exterior night lighting installed on the project site for the Gaviota Creek Pipeline Lowering and Replacement project shall be of low intensity, low glare design, and shall be hooded to direct light downward onto the project site and prevent spill-over onto adjacent areas, especially U.S. Highway 101. In addition, the permittee shall consult with Caltrans on the location and type of lighting to be used to ensure it does not present a traffic hazard. **Plan Requirements and Timing:** This requirement shall be printed on all construction drawings prior to issuance of Coastal Development Permit (CDP). The permittee shall provide Planning and Development with a letter documenting their coordination efforts with Caltrans prior to CDP. **MONITORING**: EQAP monitor to confirm no impacts from night lighting. *(Mitigation Measure V-2) (adopted by the Planning Commission on September 6, 2000)*

N. NOISE

N-1. Noise Monitoring and Control Plan

Prior to issuance of the Coastal Development Permit and Land Use Permit, the permittee shall file with the Planning and Development Department a Noise Monitoring and Control Plan which has been approved previously by the Department of Health Care Services and the Planning and Development Department. The plan shall describe the best efforts the permittee shall take to reduce the noise impacts of the project both during construction and operation of the project. The approved plan shall be implemented by the permittee and shall be followed until temporarily suspended or deemed no longer necessary by the Planning and Development Department. The plan shall include provisions to ensure that items N-2 through N-6 below are included.

N-2. Sound Levels During Operation

Except for motor vehicles and motorized construction equipment, all facilities shall be designed, constructed, operated and maintained such that sound levels during operation do not exceed 70 dbA at or beyond the property line or pipeline easement, as measured on the "A" weighted scale at slow response on approved sound level measuring instruments. Affected property owners along the pipeline route shall be notified by PPC at least 48 hours in advance of any planned testing or maintenance of the line which may exceed noise standards. The facility shall comply with all standards established in the Noise Element of the Comprehensive Plan and the Coastal Zoning Ordinance. No residents, teachers, students and staff at the Vista del Mar School shall be subjected to greater than a 9 dbA increment above the baseline ambient noise level, nor greater than a 3 dbA increase in day-night sound levels. The best available technology, including but not limited to muffling equipment, sound barriers, and landscaping measures shall be used to minimize operational noise impacts.

N-3. Project-Related Noise During Construction

During the construction and operation phases, project-related noise at the Gaviota State Park, Vista del Mar School, Buellton area, or other points which may be impacted (as determined by the Health Care Services Director), shall be minimized between the hours of 7:00 a.m. and 10:00 p.m. Prior to construction in the impacted areas, the permittee will notify all residents within 1200 feet of the pipeline that noise impacts may occur during specific construction periods. Noise shall be limited to 50 dbA between the hours of 10:00 p.m. and 7:00 a.m., consistent with the County Noise Element and the Coastal Zoning Ordinance. Blasting shall be limited to the hours between 7:00 a.m. and 7:00 p.m. and directional charges shall be used to minimize noise.

N-4. Noise Generating Activities During Construction

As determined by the Planning and Development Department, noise generating project activities (including delivery of construction equipment through residential areas) shall be restricted between the hours of 10:00 p.m. and 7:00 a.m. If complaints arise concerning activities occurring during these hours, the permittee shall take additional feasible steps to reduce the noise levels or further restrict the offending activity.

N-5. Helicopter and Aircraft Noise

Prior to approval of the Final Development Plan, the permittee shall submit to the Director of the Planning and Development Department procedures that the permittee will take to minimize noise impacts from helicopters, or other aircraft during the aerial surveys of pipeline. The procedures, to be approved by the Planning and Development Department, shall specify overflight routes to be taken to minimize noise impacts to the community and other feasible measures. The permittee shall direct its contractors to abide by the helicopter procedures and shall take reasonable corrective action if complaints arise concerning the use of helicopters. Subject to flight safety considerations, the permittee shall avoid helicopter flights over residential areas.

N-6. Operation-Related Equipment Noise

All construction and operation-related equipment shall be operated and maintained to minimize noise generation, ground vibration, and to avoid interference with radio or video communications.

N-7

For the Gaviota Creek Pipeline Lowering and Replacement project, construction activity for site preparation and for future development shall be limited to the hours between 7:00 a.m. and 5:00 p.m. No construction shall occur on State holidays (e.g. Thanksgiving, Labor Day). Construction equipment maintenance shall be limited to the same hours. Non-noise generating construction activities are not subject to these restrictions. For the final pipeline segment tie in activities, work may continue beyond these hours as authorized by State Parks. **Plan Requirements:** This condition shall be printed on construction drawings. **MONITORING:** EQAP monitor shall spot check and respond to complaints. *(Mitigation Measure N-1) (adopted by the Planning Commission on September 6, 2000)*

O. ABANDONMENT

O-1. Removal of Pipeline and Pump Stations Upon Permanent Shut Down

Immediately following permanent shut down of the pipeline, PPC shall remove abandoned pump stations and unburied portions of the pipeline within Santa Barbara County constructed under this permit, recontour the site and revegetate the site in accordance with a County approved revegetation plan within one year of permanent shut down. PPC shall post a performance bond to insure compliance, or continue to pay property taxes as assessed during project operation until site restoration is complete, as determined by the County.

P. SYSTEMS SAFETY AND RELIABILITY

P-1. SSRRC Review of Diagrams

The permittee shall submit all appropriate pump station, valve, and pipeline construction and process diagrams to a System Safety and Reliability Review Committee (SSRRC) who may employ a third-party technical review in order to evaluate pipeline design and help identify possible design hazards prior to construction. The System Safety and Reliability Review Committee shall consist of a representative from the County Public Works Department, the APCD, the County Fire Department, County Flood Control District and the Planning and Development Department. All reasonable costs associated with any County review shall be borne

by the permittee. The permittee shall be entitled to participate fully in the review process. If the review reveals a concern, the SSRRC shall share its findings with the permittee. If the permittee does not agree with the findings, the County's recourse is with the Department of Transportation, Office of Pipeline Safety for areas of pipeline construction under the jurisdiction of 49 CFR Part 195 (Transportation of Hazardous Liquids by Pipeline), with the exception of areas/issues agreed to by the permittee and the County.

P-2. Safety Inspection, Maintenance and Quality Assurance Program

The permittee shall submit a detailed Safety Inspection, Maintenance and Quality Assurance Program for the pump stations, valves, and the pipeline which shall be implemented during construction and operations. The Program shall include, but not be limited to, inspection of construction techniques, regular maintenance and safety inspections, periodic safety audits, corrosion monitoring and leak detection, inspections of all trucks carrying hazardous and/or flammable material.

The construction section of the Program shall be reviewed by the System Safety and Reliability Review Committee and/or its consultants prior to issuance of the Coastal Development Permit and Land Use Permit. The permittee shall fund a full-time U.S. Department of Transportation (or designated representative) pipeline inspector during pipeline construction phase activities. The operations section of the Program shall be reviewed by the System Safety and Reliability Review Committee and/or its consultants prior to start-up. The Program shall be submitted sufficiently prior to the permittee' s projected start-up date so as to allow reasonable time for staff review. All costs associated with this review process shall be borne by the permittee. Should the Committee find fault with these submissions, it will indicate its concerns to the permittee. If the permittee decides not to modify its plans to meet these concerns, the County's recourse is with the Department of Transportation, Office of Pipeline Safety for all areas under the jurisdiction of 49 CFR Part 195 (Transportation of Hazardous Liquids by Pipeline). In such a case, County shall timely notify DOT of review findings. Permits may not be withheld or suspended due to County concerns which are under the jurisdiction of 49 CFR Part 195 (Transportation of Hazardous Liquids by Pipeline), with the exception of areas/issues agreed to by the permittee and the County.

P-3. Emergency Response Plan

The permittee shall submit an Emergency Response Plan detailing response procedures to be implemented by the permittee for accidental events affecting public safety and the environment. This plan shall be based on a comprehensive risk analysis reviewed by the System Safety and Reliability Committee (condition P-1). The plan shall be reviewed and approved by the County Emergency Services Coordinator, the Fire Department, and the Planning and Development Department prior to start-up. Approval of the Plan shall be based on its consistency with the County's Area-Wide Oil and Gas Emergency Response Plan. The Program shall be submitted sufficiently prior to the permittee projected start-up date so as to allow reasonable time for staff review. The permittee shall demonstrate the effectiveness of the Emergency Response Plan by responding to one emergency response drill prior to or immediately after start-up.

P-4. Funding the County Emergency Response Plan

In order to assure that County emergency response procedures adequately interface with the permittee's emergency response procedures, the permittee shall provide its reasonable pro-rata share of funds to the County, to develop and implement a feasible County Emergency Response

Plan for oil and gas industry related emergencies. As appropriate, the County shall request funds from other oil industry operators to aid in funding of the County Emergency Response Plan. When available, the Planning and Development Department shall provide the permittee with an estimate of the pro rata share of funds to be provided by the permittee and the method for allocating such costs among other operators.

P-5. Oil Spill Contingency Plan

The permittee shall submit an Oil Spill Contingency Plan detailing cleanup procedures and restoration procedures to be employed in the event of a spill. This plan shall be reviewed and approved by the Planning and Development Department and the County Emergency Services Coordinator prior to start-up. The Program shall be submitted sufficiently prior to the permittee projected start-up date so as to allow reasonable time for staff review. Procedures and techniques shall be selected to augment the Emergency Response Plan. The intent of the Oil Spill Contingency Plan is to detail spill site restoration subsequent to emergency response. The plan shall be approved based on its consistency with the intent of the condition "to detail site restoration subsequent to emergency response."

P-6. Site Security Plan

Prior to approval of the Final Development Plan, the permittee shall submit to the Santa Barbara County Sheriff's Department for review and approval a site security plan. The plan shall describe procedures to be implemented by the permittee which will prevent intentional damage to facilities which may result in environmental damage or public safety hazards.

P-7. Temporary County Fire Company

The permittee shall cooperate with Chevron as necessary to facilitate the establishment of a temporary County fire company until the completion of the fire station (as specified in Chevron condition P-9). Prior to issuance of the Coastal Development Permit and Land Use Permit, the County Emergency Response Coordinator and Fire Department must be satisfied that provisions have been made to establish an operational fire company in the project area.

P-8. Cooperation with Chevron for Gaviota Area Fire Station

Prior to approval of the Final Development Plan, the permittee shall agree to participate in a plan to be submitted to the County Fire Department by Chevron USA Inc., for the construction, manning and equipping of a fire station in the Gaviota area. The permittee shall contribute their pro rata share of the cost of implementing this plan. When available, the Planning and Development Department shall provide the permittee with an estimate of the pro rata share of funds to be provided by the permittee and the method for allocating such costs among other operators.

P-9. Fire Protection Plan for the Pump Stations

Prior to Final Development Plan, the permittee shall submit to and obtain conceptual approval from the Fire Department, a Fire Protection Plan for the pump station locations. Final approval shall be obtained prior to start-up. Criteria to be addressed shall be obtained from the County Fire Department.

P-10 Transporting LPGs and NGLs Through Pipelines

Prior to approval of the Final Development Plan, the permittee shall assess the feasibility of transporting liquefied petroleum gases and natural gas liquids, (LPGs and NGLs) through the proposed pipeline by blending and/or batching, considering industry-wide projected volumes and market destinations of the gas liquids. The permittee shall report to the Planning and Development Department the results of this assessment, and this information shall include all technological and safety constraints involved, amount and type of additional storage facilities needed, and the degree to which LPGs and NGLs produced in the area can be transported through the pipeline. PPC shall transport the NGLs through this pipeline, to the extent feasible within safety and legal constraints as identified by the report and as requested by the users. In addition, under the reporting provisions of Condition C-1, PPC shall inform the County of the types and amounts of gas liquids shipped in the pipeline during operations.

P-11. Vista del Mar School Accommodation

If the Vista del Mar School has not been relocated or is located at a site where it could be impacted by construction activities, prior to approval of the Final Development Plan, the permittee and the Board Trustees of the Vista Del Mar School District shall develop a reasonable and mutually agreeable construction plan for the pump station site and pipelines adjacent to the site that will minimize construction-related noise, air pollution, and visual disturbance to the School during school hours. Said construction plan shall include the following: Pipeline construction noise near the School shall be held to ambient noise levels or construction shall occur only when school is not in session; to prevent exceedance of the California one-hour NO_2 standard, construction schedules must be modified to minimize overlapping of equipment emissions; and, during construction of the pipeline, activities nearest the school shall be scheduled when school is not in session in accordance with Condition B-5 and temporary barriers shall be erected around noisiest activities. No grading for the Gaviota pump station shall occur during School session hours.

In the event that any agreements contained herein cannot be reached on the construction plan, the Board of Supervisors shall arbitrate any dispute.

P-12. Deleted.

P-13. Communication at the Operations Control Center and Activated Valves

The permittee will design the pipeline such that the entire pipeline will have effective control communication between the operations control center and all remotely activated valves. Any break, rupture, and/or damage to the pipeline shall result in the orderly shutdown of the pumping operations, and will activate the shut off valves, if appropriate, in a manner which will minimize environmental damage.

P-14. Compliance with the Watershed Fire Protection Plan

During construction of the pipeline in fire sensitive areas, the permittee shall meet or exceed applicable guidelines and requirements set forth in a Watershed Fire Protection Plan provided by the combined local fire protection agencies, Santa Barbara County Fire, U.S. Forest Service, and the California Department of Forestry. This shall include, but not be limited to: modifications of welding operations, required fire patrolman position(s), firefighting equipment, and construction restrictions due to extreme fire weather.

P-15. Compliance with the National Fire Protection Association Standards

All facilities, construction activities and equipment shall comply with National Fire Protection Association standards.

P-16. Map of Finished Pipeline Route

Upon completion of pipeline construction, the permittee shall provide all jurisdictional agencies (S.B. County Fire, USFWS, CDFW) with at least two copies of maps showing the finished pipeline route and shall include locations accessible by fire department emergency response vehicles. Said maps shall be 7 1/2 minute quadrangle scale, (one inch equals 24,000 inches), and shall represent topographical features.

P-17. Compliance with the 1982 Uniform Fire Code

The permittee shall be subject to required fire department inspections during and after construction as set forth by the 1982 Uniform Fire Code and these conditions.

P-18. Alternative Pipeline Corridor Alignments

Prior to approval of the Final Development Plan, the permittee shall designate alternative pipeline corridor alignments which avoid the two potentially impacted, proposed alternative permanent relocation school sites now under study by the Vista del Mar Union School District. These proposed alternative locations are the State Park at Las Cruces, and the Tajiguas Ranch property. County shall review and approve said alternative alignments as part of the Final Development Plan and the permittee shall implement the appropriate alternative alignment depending on the permanent school relocation site chosen by the Vista del Mar School District.

P-19. PCB Contamination at Canada de la Huerta

Prior to initiation of any pipeline construction at Canada de la Huerta, the permittee shall demonstrate to the satisfaction of Environmental Health Services that either: (1) no PCB contamination exists in the road and fill area across which the pipeline alignment is proposed; or, (2) that any PCB contamination detected has been adequately remediated. The permittee shall submit verification of Environmental Health Services' approval for construction to the Planning and Development Department prior to issuance of the Coastal Development Permit for pipeline construction in the Canada de la Huerta area.

P-20. Soil Tests at the Booster Pump Site

To determine the potential for hazardous materials contamination, AAPLP the permittee shall conduct soil tests at the booster pump site prior to construction, in coordination with the County Environmental Health Services Division.

P-21. Texaco's Emergency Access Road

The permittee shall not operate construction equipment on Texaco's emergency access road except to gain access to and from the construction site.

P-22

The permittee shall coordinate with PAPCO/PANGL to stake their pipelines prior to any excavation work for the Gaviota Creek Pipeline Lowering and Relocation project. Also, the permittee shall stake their existing 30" crude oil line prior to any excavation work. **Plan Requirements**: This condition shall be printed on construction drawings. **MONITORING:** The EQAP monitor shall verify that the pipelines have been staked prior to construction. *(Mitigation Measure R-2) (adopted by the Planning Commission on September 6, 2000)*

P-23

For the Gaviota Creek Pipeline Lowering and Relocation project, if necessary, equipment needed within the creekbed should access the site from the west side so as not to cross the existing oil and gas lines. **Plan Requirements:** This condition shall be printed on construction drawings. **MONITORING:** EQAP monitor to verify compliance in the field. *(Mitigation Measure R-3)(adopted by the Planning Commission on September 6, 2000)*

P-24

If any discolored or contaminated soil is encountered during construction of the Gaviota Creek Pipeline Lowering and Relocation project, the permittee shall suspend work activities in the immediate area and report to Protection Services Division (PSD) and the Energy Division immediately. PSD shall inspect the site with the permittee and shall determine the extent of the contamination. The permittee shall proceed as directed by PSD and the Energy Division should contamination be found. Such direction may include preparation of a Site Assessment and Work Plan, and site remediation if deemed necessary. **Plan Requirements:** This condition shall be printed on construction drawings. **MONITORING:** EQAP monitor to verify compliance in the field. *(Mitigation Measure R-4) (adopted by the Planning Commission on September 6, 2000)*

P-25

Portable catch basins shall be placed beneath cut points prior to and for the duration of cutting activities for the Gaviota Creek Pipeline Lowering and Relocation project. A vacuum truck shall be onsite until all pipeline drainage and repair operations are completed. **Plan Requirements:** These requirements shall be printed on construction drawings. **MONITORING:** EQAP monitor to verify compliance in the field. *(Mitigation Measure R-5) (adopted by the Planning Commission on September 6, 2000)*

P-26

Following installation of the new pipeline segment at Gaviota Creek, use of the right-of –way shall be restricted to the pipeline easement. **MONITORING:** EQAP monitor to spot check in the field. *(adopted by the Planning Commission on September 6, 2000)*

P-27

The permittee shall, at all times during construction of the new pipeline segment at Gaviota Creek, provide onsite fire protection (water tanker, shovels and fire extinguishers). **Plan Requirements:** This condition shall be printed on construction drawings. **MONITORING:** EQAP monitor to spot check in the field. *(Mitigation Measure F-1) (adopted by the Planning Commission on September 6, 2000)*

P-28

For the Gaviota Creek Pipeline Lowering and Replacement project, a fire watch shall be maintained for at least one half hour after completion of cutting or welding operations to detect and extinguish smoldering fires if operations occur within 10 feet of combustibles. Hot work permits and fire watch operations shall be coordinated through County Fire. **Plan Requirements:** This condition shall be printed on construction drawings. **MONITORING:** EQAP monitor to monitor in the field. *(Mitigation Measure F-2) (adopted by the Planning Commission on September 6, 2000)*

P-29

If welding trucks are used for the Gaviota Creek Pipeline Lowering and Replacement project, the vehicles shall be inspected and a permit issued at Fire Station 18. This would ensure that all hoses are adequate, a fire extinguisher is available, and a spark arrester is installed on any motor. **Plan Requirements:** The permittee to acquire a permit from Station 18. **MONITORING:** EQAP monitor to verify permit received prior to construction. *(Mitigation Measure F-3) (adopted by the Planning Commission on September 6, 2000)*

P-30

The permittee shall notify the Fire Department at least 48 hours before construction may begin for the Gaviota Creek Pipeline Lowering and Replacement project. **Plan Requirements:** This condition shall be printed on construction drawings. **MONITORING:** EQAP monitor to verify prior to construction. *(Mitigation Measure F-4) (adopted by the Planning Commission on September 6, 2000)*

P-31

The permittee shall clear vegetation 10 feet on each side of the PAPCO/PANGL vault access road, staging areas, and along access portions of the pipeline right-of-way to 6 inches prior to construction of the Gaviota Creek Pipeline Lowering and Replacement Project. Vegetation near the cultural site at the Road 28 gate shall be hand cut to avoid adverse impacts to the site. **Plan Requirements:** This condition shall be printed on construction drawings. **MONITORING:** EQAP monitor to field check prior to construction. *(Mitigation Measure F-5) (adopted by the Planning Commission on September 6, 2000)*

Q. FACILITY DESIGN

Q-1. Demonstration of Compliance

The Final Development Plan shall demonstrate compliance with Santa Barbara County Coastal Zoning Ordinance, and other applicable County Ordinances to the extent required by this permit.

Q-2. Energy Conservation Techniques

Cost effective energy conservation techniques shall be incorporated into project design.

Q-3. Common Carrier Pipeline

PPC's facilities will be operated as a common carrier pipeline with access for use available on a nondiscriminatory basis. County retains the right to verify that the use of the facilities is conforming with County policies on consolidation and to impose additional reasonable permit

conditions where necessary to assure these policies are being fulfilled to the extent feasible. The intent of this condition is to ensure the multi-company access of oil transportation facilities.

Q-4. Compliance with County Petroleum Ordinance No. 2795

PPC shall comply with all applicable policies in Section 25 of the Santa Barbara County Petroleum Ordinance No. 2795.

Q-5. Power Transmission Lines

The permittee shall fund a pro-rata share of the costs to bury power transmission lines or of using environmentally and aesthetically preferred poles between the Goleta Substation and Gaviota in areas where the County and SCE determine it is not feasible to bury the lines. The permittee's pro-rata share shall be based upon an equitable cost-sharing formula applied to all users of the grid power consistent with PUC rate setting and applicable regulations.

EXHIBIT 12

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SANTA BARBARA COUNTY
BOARD OF SUPERVISORS

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SABLE OFFSHORE CORP. et al,

Petitioners/Plaintiffs,

v.

COUNTY OF SANTA BARBARA et al.,

Respondents/Defendants,

and

ENVIRONMENTAL DEFENSE CENTER et al.,

Intervenors.

Case No: 2:25-cv-04165-DMG-AGR

RESPONDENTS COUNTY OF SANTA BARBARA AND SANTA BARBARA COUNTY BOARD OF SUPERVISORS' RESPONSE TO PETITIONERS' MOTION FOR SUMMARY JUDGMENT

[Filed concurrently with Request to Take Judicial Notice; Response to Petitioners' Statement of Uncontroverted Facts and Conclusions of Law; and [Proposed] Order]

Complaint Filed: May 8, 2025

Date: September 12, 2025
Time: 2:00 p.m.
Ctrm.: 8C
Judge: Hon. Dolly M. Gee
Mag. Judge: Hon. Alicia G. Rosenberg

COUNTY COUNSEL
County of Santa Barbara
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(805) 568-2950

Respondents/Defendants County of Santa Barbara and Santa Barbara County Board of Supervisors (collectively "County") hereby respectfully submit the below Memorandum of Points and Authorities in response to Petitioners/Plaintiffs Sable Offshore Corp., Pacific Pipeline Company, Pacific Offshore Pipeline Company ("Sable"), Exxon Mobil Corporation, Mobil Pacific Pipeline Company, and Exxonmobil Pipeline Company's ("Exxon" and collectively "Petitioners") Memorandum of Points and Authorities in Support of their Motion for Summary Judgment on the first, second, and third causes of action in this matter.

Dated: August 1, 2025

Respectfully submitted,

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2) Chapter 25B's process is ministerial and the Board has a mandatory duty to deny the appeals and approve the transfers, or 3) the Board must hold another public hearing that complies with Chapter 25B.

The County disputes that Chapter 25B's process is ministerial. Although there are aspects of the process that function like a checklist and require little judgment, there are other aspects of the process that call for the exercise of discretion. With respect to Petitioners' other arguments, in light of the absence of a Board majority, the County responds by setting forth the facts and applicable law without taking a position on whether the Board's tie vote leaves the Planning Commission decision intact or whether this Court should remand for another hearing before the Board.

II. FACTUAL BACKGROUND

As may be seen from the County's Response to Petitioner's Statement of Undisputed Facts, the County does not dispute the majority of facts asserted by Petitioners. The County, therefore, offers the following short summary.

A. The Facilities

The Santa Ynez Unit (SYU) and Pacific Offshore Pipeline Company (POPCO) Gas Plant are existing permitted facilities that produce and treat crude oil and natural gas from offshore Platforms Hondo, Harmony, and Heritage in the Santa Barbara Channel. (SUF ¶¶ 1, 3.) Historically, oil produced from the SYU was transported via the Las Flores Pipeline System to the Pentland Station in Kern County (formerly known as the Plains All American Pipeline). (SUF ¶ 5; Dkt. 13-1, 22.) In 2015, a section of the Las Flores Pipeline System ruptured and released over 100,000 gallons of crude oil onto the beach and into the ocean near Refugio State Beach ("Refugio Oil Spill") resulting in the shutdown of both the Las Flores Canyon Facilities and the pipeline system. (Dkt. 13-1, 25; Dkt. 13-10, 118; Dkt. 13-20, 13.) The Refugio Oil Spill caused significant financial and environmental damage and harm to the surrounding communities and cost

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Board was without authority to take a final action. Mot. at fn. 5; Cal. Gov't Code § 25005.

Petitioners also argue the County had a mandatory duty to deny the appeals. They contend Chapter 25B's findings require the decision maker to apply "fixed standards" to determine "objective" facts that do not permit the exercise of discretionary judgment. Mot. at 13. They rely on *itt Home Ranch, Inc. v. Cnty. of Sonoma*, where a court held the issuance of a certificate of compliance "is a ministerial act, requiring the responsible local agency to determine whether a valid final or parcel map has been recorded or, if not, what must be done to complete the process." 165 Cal.App.4th 543, 565 (2008). The Court contrasted the certificate of compliance with "the actual approval of a subdivision map" which requires "the exercise of judgment, and the careful balancing of conflicting interests[.]" *Id.* at 565-66.

Chapter 25B includes a mix of ministerial and discretionary elements. For instance, 25B requires that an appeal must state how "the planning commission decision is inconsistent with the provisions or purposes" of [Chapter 25B] or that "there was an error or abuse of discretion by the planning commission." §25B-12(b) (emphasis added). And at least one of the Chapter 25B findings clearly calls for the exercise of discretion—the decision-maker must determine whether "[t]he proposed operator has the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes." §25B-10(a)(9).

Petitioners assert that finding 10(a)(9) does not provide the County with broad discretion to consider any skills, training, and resources. Mot. at 17. They contend the ordinance should be interpreted to set out a narrow objective path for making the finding—by examining only relevant records of compliance and corrective actions to determine whether the proposed operator has a record

/ / /

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must be remanded for the Board to make the necessary findings to support its resolution.").

Similar to the court in *Lopez*, this Court may remand the matter for a rehearing before the Board because neither Sable nor the appellants met their burden of convincing a majority of the members of the Board to affirm, deny, or modify the decision of the Planning Commission. *See Lopez*, 165 Cal.App.4th at 4-5 (holding that the tie vote constituted a failure to act and affirming trial court's decision to remand for the board to conduct another vote because respondent did not meet its burden of proving its charges to the satisfaction of a majority of the Board); *cf. Clark,* 48 Cal.App.4th at 1172-73 (holding the trial court should have remanded the matter for a rehearing before the city council because one member who voted with the majority in a three-to-two vote had a conflict of interest).

V. CONCLUSION

For the foregoing reasons, the County respectfully requests that this Court decide whether the tie vote affirmed the decision of the Planning Commission or requires a remand for a hearing to allow the Board to decide the appeals and make findings to support its decision.

Dated: August 1, 2025

Respectfully submitted,

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CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for Respondent and Defendant, certifies that this brief contains 6505 words, which complies with the word limit of L.R. 11-6.1.

Dated: August 1, 2025

Respectfully submitted,

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EXHIBIT 13

COUNTY OF SANTA BARBARA
PLANNING AND DEVELOPMENT

MEMORANDUM

TO: Planning Commissioners

FROM: Doug Anthony, Energy Specialist, (805) 568-2046
John Day, Planner, (805) 568-2045

DATE: September 7, 2001

RE: Proposed Change of Owner, Operator, and Guarantor Ordinance – Summary of staff's responses to public testimony received on the proposed ordinance during the August 1st hearing

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Commissioner Beall suggested that staff provide a written version of its responses to public testimony received during the August 1st hearing of the proposed Change of Owner, Operator, Guarantor Ordinance. We are providing that written version as Attachment A to this memorandum.

Second, Commissioner Beall requested a matrix that compares the proposed ordinance to current regulatory practices of the Minerals Management Service for change of lessor, operator, and guarantor. We are providing that matrix as Attachment B, in which we also compare the proposed ordinance to past practices of the County to show how such practices vary according to a particular permit.

Third, Commissioner Valencia asked for a summary of outstanding issues with the ordinances that the oil industry raised during meetings with staff and at public workshops. We are providing that summary in Attachment C.

Fourth, Commissioner Oberdeck asked for a response to testimony from the Santa Barbara Region Chamber of Commerce, Goleta Valley Chamber of Commerce, Santa Maria Valley Chamber of Commerce, and Santa Maria Valley Economic Development Association. We are providing this response in Attachment D.

Fifth, Commissioners Beall and Farr raised some questions about the ordinance in the final minutes of the hearing. We are providing answers to those questions in Attachment E.

Finally, Attachment F is a revised draft of the proposed ordinance showing proposed changes in response to public comments.

Attachment A

Summary of Staff's Oral Responses to Public Comment
August 1st Planning Commission Hearing
Item No. 5: Proposed Change of Owner, Operator, Guarantor Ordinance

Comment No. 1: Several representatives of the oil industry and chambers of commerce questioned the lack of guidance provided in the ordinance for determining the appropriate amount of financial responsibility should a change of operator, owner, or guarantor take place.

Public testimony is accurate that, as currently drafted, the proposed ordinance does not provide specific guidance for determining the appropriate amount of financial responsibility. The ordinance does require new owners, operators and guarantors to demonstrate the financial wherewithal to cover the cost of timely and proper abandonment (including remediation of contaminated soils and waters) and to cover natural resource damage. The County is separately pursuing ordinances to establish specific procedures for determining adequate financial assurances for both types of liability. The Change of Owner ordinance is the first in the sequence of three ordinances that together will provide a solid structure of financial responsibility regulations that apply to ongoing operations as well as to the special case of owner/operator change.

Subsequent to the August 1st hearing, staff has revisited the question of how to specify financial responsibility requirements during the interim, until a financial responsibility ordinance is adopted. Our recommendations are given in Attachment C (Outstanding Issues), Issues 2 and 3.

Comment No. 2: One speaker questioned the lack of precise safety standards when assessing a proposed change of operator.

Summary of Staff's Response: First, standards are proposed. The standards are necessarily qualitative, but they are nonetheless definite:

> "The records demonstrate the proposed operator has the skills and training necessary to operate the permitted facility in compliance with all applicable law. The accident and compliance records shall be obtained from the agencies listed in Appendix A. If the proposed operator is a new company or lacks a seven year operational record, the operator has demonstrated to the County that the key personnel have sufficient experience and expertise to operate the facility safely." [§25B-10(2)(j)]

The County has the capability to review operator qualifications utilizing the expertise of the Office of Emergency Services, Building and Safety, and 3rd party technical consultants. These personnel routinely provide Energy staff with expert advice on facility safety and on compliance plans such as emergency response plans. Additionally, MMS and State Lands Commission have expressed willingness to discuss operator safety records, and are expected to be an useful source of information.

Let's examine what the proposed ordinance seeks with regard to oversight of safety upon a change of operator.

a) The ordinance asks for a transitional plan so that a new operator is sufficiently trained and familiar with the new facility and has working knowledge of emergency and safety plans prior to taking over. The ordinance recommends cross-training with the current operator prior to the change of operator where practical. The oil industry agrees that cross-training is valuable when changing operators and some companies have exercised this approach to changing operators in the past.
b) The ordinance asks for a test, one that requires the proposed new operator to pass a simulated emergency response drill. This test is similar in concept to practices of the Minerals Management Service (MMS) to ensure that the operator has a good working knowledge of the facility. Specifically, the MMS requires the new operator, standing side-by-side with the current operator, to bring the entire platform down and, then, to bring it back on line. Onshore, we ask for adequate performance on one or more simulated emergency response drills, the details of which are per the standards of the County's Office of Emergency Services.
c) The ordinance asks for an examination of the accident and compliance records of the proposed new operator for the previous seven years. The Minerals Management Service looks at such records for the last five years; environmental groups have requested the County look back 10 years. We chose the mid-point of seven years because that's equivalent to the normal period of time for which records are retained.

Staff has not proposed any quantitative standards upon which to implement the above requirements because such reviews require sufficient discretion to consider case-specific factors. For example, staff does not propose any specific threshold that would disqualify a new operator based on the number of accidents it has had at other facilities over the last seven years. Such a threshold would not provide the fair and objective basis for qualification that would be provided through a prudent evaluation of the case-specific facts. For the same reason, both MMS and State Lands Commission evaluate potential new operators by examining and weighing the case-specific facts. Quantitative standards would be unworkable. Consider, for instance, the following hypothetical examples that illustrate problems that could arise should we set a threshold of 10 accidents.

- Proposed pipeline operator A would automatically be disqualified with a record of 11 accidents, even if these accidents were very minor (or caused by third-party intrusion at no fault of the pipeline operator) and the cause of the accidents were corrected immediately. Proposed pipeline operator B would automatically qualify with a record of 4 accidents, even if deaths and injuries resulted from willful negligence on the part of the operator, and reflected no improvement by the operator over a period of seven years. These case-specific factors favor an opposite result than that prescribed by the hypothetical standard of 10 accidents; that is, qualification of operator A and disqualification of operator B.
- Proposed facility operator A shows a record of 11 accidents, but operates 100 such facilities nationwide, including major refineries. Proposed facility operator B shows a record of 8

accidents, and only operates two such facilities nationwide. Again, a prudent examination and sound judgment of the case-specific factors indicate an opposite conclusion than a pre-established threshold or standard. Operator A's record may be notably better than the industry average based on a per facility basis, whereas Operator B's record may be notably worse than the average.

Identification of quantitative standards up-front would not capture every potential variation and nuance that would become apparent in the case-specific examination of a proposed new operator. Instead, staff believes a prudent, discretionary review of case-specific factors, based upon the objective data obtained in the accident and compliance records referenced in the proposed ordinance, best serves the County's ability to render a fair and equitable review. Such a discretionary review has been successful in approving the change of operator for the Point Arguello and GTC oil terminal facilities. It has also been successful for determining if the level of key personnel is sufficient for new companies which do not have previous accident or compliance records.

Comment No. 3: Two members of the public stated that the proposed ordinance duplicates regulations currently administered by the Minerals Management Service, State Lands Commission, and California Public Utilities Commission, and California Department of Fish and Game (Division of Oil Spill Prevention and Response).

Summary of Staff's Response: The proposed ordinance does not duplicate these current regulations, but rather seeks to fill the gap by extending such regulatory practices to facilities not covered by current regulations. Section 25B-2 of the proposed ordinance is quite explicit about the applicability of the proposed ordinance as follows:

"Sec. 25-2 Applicability

(1) This Chapter shall apply to any person who owns, operates or guarantees performance for or who seeks to own, operate or guarantee performance for any of the following facilities **located in the unincorporated areas of the County of Santa Barbara**:
   a) any facility involved in exploration, production, processing, storage or transportation of oil or gas extracted from offshore reserves;
   b) any oil refinery;
   c) any pier, supply base, marine terminal or staging area within the County's jurisdiction that supports development of offshore oil and gas reserves.

(2) This Chapter shall not apply to:
   a) the change of owner, operator or guarantor of the following:
      i. **sales gas pipelines operated by a public utility and regulated by the California Public Utilities Commission**;
      ii. trucks, railroads;
      iii. **facilities located in state waters**;
      iv. a change of ownership consisting solely of a change in percentage ownership of a facility and which does not entail addition or removal of an owner or affect any financial guarantee for a permit." [emphasis added.]

Compare this to the regulatory jurisdiction of the Minerals Management Service (MMS), California State Lands Commission (SLC), California Public Utilities Commission (PUC), and California Department of Fish and Game (DFG).

- MMS regulates the change of lessee, operator, and other guarantor for leases and facilities on the Outer Continental Shelf (OCS). The OCS covers federal waters beginning 3 geographical miles seaward of the national coastline, including three miles seaward of the coastline of offshore islands. The proposed ordinance, on the other hand, applies to onshore facilities; however, borrows many of the tested regulatory practices that the MMS applies for change of lessor, operator, or guarantor.

- SLC regulates the change of lessee, operator, and other guarantor for oil and gas leases and facilities on the State Tidelands. The State Tidelands comprise an offshore zone three miles wide between the coast and the OCS. The proposed ordinance, on the other hand, applies to onshore facilities and explicitly excludes applicability to "... facilities located in state waters. However, the proposed ordinances borrows from the regulatory practices that the SLC applies for change of lessor, operator, or guarantor.

- PUC regulates the changes of owner or operator for public utilities. The proposed ordinance explicitly excludes applicability to the very onshore facilities that the CPUC regulates: "... sales gas pipelines operated by a public utility and regulated by the California Public Utilities Commission."

- DFG's Division of Oil Spill Prevention and Response (OSPR) requires financial assurances to cover liability relating to oil spills into marine waters, which are defined as tidally influenced waters. It does not preclude other financial assurances such as that applied by the County for marine terminals via Chapter 25A of the County Code (Evidence of Financial Responsibility to Clean Up Oil Spills), nor does it address financial assurances for terrestrial oil spills and other types of accidents that may occur from the operation of applicable facilities under the proposed ordinance.

Comment No. 4: One speaker testified that, among other things, timely and proper abandonment of an oil and gas site subject to this ordinance should not be of any concern. He noted that all facilities subject to this ordinance that currently have terminated operations either have undergone abandonment or are undergoing abandonment. Therefore, there is no historic record to suggest a need of financial assurances for abandonment.

Summary of Staff's Response: Last fall, the Planning Commission initiated amendments to the General Plan (Coastal Land Use Plan and Land Use Element) and to the County code to promote more timely and proper abandonment of the subject facilities. Your recommendations included:

- The revocation of discretionary land-use permits when, after thorough consideration of case-specific evidence, a facility will not be reactivated within a reasonable period of time.

- The imposition of monetary penalties if, after sufficient notification, an operator fails to remove abandoned facilities and restore the site.
- A refinement to the permitted uses of such facilities that precludes long-term salvage operations, recycling facilities, or junkyards.
- A requirement that operators post appropriate financial securities for the purpose of ensuring timely and proper abandonment.[1]

These recommendations were based, in part, on a historical record of notably disparate results with regard to timely abandonment. In one worse case, Texaco did not abandon its Gaviota processing facility until 25 years after it ceased operations permanently.[2] This facility was located in the Coastal Zone, in the view shed between Highway 101 and the ocean. The County would have had more leverage to require timely abandonment had it access to a performance-based financial guarantee. The following table provides an accurate historic overview for processing facilities and marine terminals.[3]

Timing for Abandonment of Downstream Facilities

Facility	Year Installed	Year Operations Ceased	Year Production Wells Plugged	Year Facility Abandoned	Years to Abandon after Ceasing Operations
Chevron's Gaviota Gas Facility	1962	1984	1986	1987	3
Shell's Hercules Gas Plant	1963	1989	1997	Ongoing,* commenced in 1994	>11
Phillips' Tajiguas Gas Facility	1964	1990	1997	1993	3
ARCO's Dos Pueblos Facility	1920s	1997	1997	Ongoing,** commenced in 1995	>3
ARCO's Alegria Facility	1962	1991	1997	Not commenced	>9
Unocal's Battles Gas Facility	1940s	1995	Not yet plugged	Ongoing,* commenced in 1995	>5
Texaco's Gaviota Processing Facility	1961	1973	1985	1998	25
Unocal's Gov't Pt. Processing Facility	1968	1993	1999	Not commenced	>7
Unocal's Cojo Bay Marine Terminal	Early 1960s	1993	1999	Not commenced	>7

* Facilities have been dismantled; however, remediation remains ongoing, often due to operator's resistance to prescribed clean-up of hydrocarbons (see Chapter 7).

[1] County of Santa Barbara, Planning and Development Department, Energy Division. *Abandonment of Oil and Gas Fields Offshore Santa Barbara County and Related Infrastructure.* October 25, 2000. Pages 89-93.
[2] *Ibid.* Page 87, Section 5.2.6.
[3] See Chapter 4 of the foregoing report for historic record for production facilities and Chapter 6 for pipelines.

** Facilities have been removed, except for offsite pipelines (see Chapter 6). Remediation has been delayed because development permit, which authorizes both remediation and development of a golf course, is under appeal to the Coastal Commission.

This is not to suggest that all operators have not or will not pursue timely abandonment. Several operators have been very efficient in abandoning their facilities upon terminating operations permanently. But we would like everyone to do that and believe we can facilitate that result with performance-based financial guarantees. Nationally, financial assurances are an increasingly common component of environmental regulation, guaranteeing that costs associated with a future performance or liability are borne by the responsible party rather than society, despite bankruptcy, prior corporate dissolution, sheltering of assets overseas, or resistance by the responsible party. California's Surface Mining and Reclamation Act, for instance, requires performance-based financial assurances of applicable mining operations.[4]

Comment No. 5: One speaker suggested that the proposed ordinance creates a lot of costly paperwork because it requires applications for transfer of permits when owners change (rather than just operators).

Summary of Staff's Response: The permits of the subject facilities have a condition that holds all owners and operators jointly and severally liable.

For non-managing owners where more than one entity owns the facility, the ordinance as proposed on August 1st simply requires acknowledgement that a new non-managing part-owner accepts that liability and that all owners are listed in the permit. The ordinance requires new non-managing owners to submit an application with a letter accepting the permit and its liability under the permit as an owner. It is in the County's interest to name all owners and operators on the permit, so as to leave no uncertainty about their joint and several liability and also to avoid having to track them down in the aftermath of a major accident. However, upon the advice of County Counsel, staff has determined that the requirement for a letter explicitly accepting the permit is unnecessary. This issue is discussed further in Appendix C, under Issue 1.

For change of full ownership or managing owners, there are more requirements for transferring the permit, including:

- Payment of all outstanding County-required fees and exactions due for the facility. Although most facility owners or operators pay such fees and exactions timely, the Energy Division does deal with delinquent payments periodically. In these cases, the proposed ordinance reduces costly paperwork for the County by bringing accounts up-to-date.

[4] Most oil producing states require some sort of financial guarantees for abandonment. At the federal level, financial assurances are required under the Oil Pollution Act, the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act, the Safe Drinking Water Act, the Outer Continental Shelf Lands Act, the Federal Land Policy and Management Act, and the Surface Mining Control and Reclamation Act. However These applications do not address the facilities subject to the Change of Owner, Operator, Guarantor Ordinance.

- Provision of all required financial guarantees for future liability and performance of timely and proper abandonment. This requirement is moot should such guarantees already be in-place and not diminished in the transfer of ownership. However, the ordinance seeks to reduce social costs by ensuring coverage for future liability and performance. Studies have found that, in practice, financial guarantees are both available and affordable and more cost-effective to smaller companies than having to respond financially to a major oil spill, for example.[5]
- Requirement of acceptance of permit, similar to that for non-managing owners.
- Requirement of a safety audit to divulge the status and condition of the facility to the new owner. SIMQAP audits conducted within the last three years satisfy this requirement. Such disclosure, which is typical of real estate transactions, represents prudent business, and gives the new owner a clear understanding of financial expenditures to bring facilities into compliance with County and State requirements. Such a requirement addresses latent issues such as those encountered by Venoco after it acquired the Ellwood facilities from Mobil.
- Provision to comply with existing requirements. This simply serves to enforce requirements of the permit. There is no costly paperwork associated with this requirement provided that the owner has maintained the facility in compliance with the permit.
- Provision to update specific compliance plans, where applicable, to provide current emergency contact information pertaining to the new owner. Such changes are geared solely to reflect the change in ownership and identify new responsible parties that may need to be contacted in the event of an emergency or other safety situation.

Staff believes that meeting such provisions are either minor or, in the case of financial assurance, are part of the cost of doing business, similar to other types of liability insurance such as automobile insurance.

Comment No. 6: One speaker asked how the County can determine a performance-based financial assurance for abandonment, specifically, remediation of contaminated soils and waters, absent a site assessment.

Summary of Staff's Response: Last fall, the Planning Commission initiated amendments to the General Plan (Coastal Land Use Plan and Land Use Element) and to the County code to promote more timely and proper abandonment of the subject facilities. These initiated amendments included the following recommendation:

"Recommendation 40: Structure the regulatory oversight of decontamination so it is treated routinely as an issue of operations rather than abandonment. The County should undertake the following actions to achieve this goal:

1. Amend appropriate codes to require, where appropriate, testing of soils and water under and around oil and gas facilities that were in operation before 1980. Testing should focus on areas and facilities suspected of having historic waste releases (areas may include those listed in

[5] See, for example, James Boyd. *Financial Assurance Rules and Natural Resource Damage Liability: A Working Marriage?* 2001. Resources for the Future, Washington, D.C. pages 34-39 for discussion of the cost-benefit of financial assurances, comparing the costs of such assurances versus the costs to society absent such assurances.

Table 7-1) and occur in accordance with procedures approved by PSD and RWQCB. Suspect areas, for example, would be under tanks and under pipelines that are not regularly tested to verify their structural integrity. Identifying and characterizing areas at sites that commenced operation with possible contamination as early as possible will allow the appropriate regulatory agency to respond more proactively to waste releases and subsequent migration. However, requirements for testing should consider locations that avoid or minimize risk due to testing in or near an operating facility.

2. Due to greater government-mandated safety requirements, sites that began operations after 1980 are expected to have much less soil and water contamination. Notwithstanding, sites that began operation after 1980 should also be monitored in areas where it is likely that an undetected release could occur.

3. Impose penalties, including fines and termination of operations, if soil and groundwater sampling is not conducted in a reasonable period of time."[6]

The Energy Division is currently processing these amendments through environmental review and will return to the Planning Commission with policy and ordinance language early next year. Staff recommends that the requirement of a site assessment continue to be handled in the foregoing manner. The approach to site assessments recommended above focuses our attention not just on sites with changes of operator or managing owner, but on those sites most likely to be contaminated. Staff plans to draft the requirement for site assessments in a manner that requires owners and operators to disclose any new information regarding site contamination both before and after the site assessment is performed. Accordingly, any new information found by a future, internal site assessment performed by a new or old owner as part of the real estate transaction would be required to be disclosed to the County.

Comment No. 7: One speaker asked for an amendment to the Planning Commission finding that requires a new operator to pass an emergency response plan drill. The amendment would require a follow-up drill to occur some period after the operator has taken control of the facility. This follow-up drill would be unannounced. Further, the Planning Commission's approval of a new operator would remain conditional until the follow-up drill occurs. Failure to pass the follow-up drill could constitute a basis to reverse approval of the new operator.

Summary of Staff's Response: Tom Haug, staff with the County's Office of Emergency Services, fielded this inquiry. He explained that his office shares the concerns for safety expressed by the speaker. He further explained that his office periodically conducts drills and would undertake such a follow-up drill under its current authority; therefore, he saw no need to specify a requirement for a follow-up drill in the ordinance. The new applicant (operator in this case) accepts the permit, and all it's responsibilities and conditions (i.e., drill requirements). He also explained that, in practice, no drill is completely unannounced, although several elements of the drill, such as the particular emergency scenario, may be unannounced. Most of the elements are

[6] County of Santa Barbara, *op. cit.*, 2000, page 140.

unknown to the facility operators. Some type of coordination goes into developing a realistic and effective drill. Drills conducted by OES are not only just a tool to evaluate the operator's knowledge of the Emergency Response Plan, but they are designed to be learning tools for the facility operators and the responding agencies. In some cases this can take numerous drills in a short timeframe. However, each of the participants and the public has benefited from this use of drills.

Comment No. 8: One speaker stated that the County need not worry about financial assurances for timely and proper abandonment, including remediation of contaminated soils and waters, because state law already covers liability. If the most recent operator is not financially solvent, the County can track down previous operators.

Summary of Staff's Response: Financial assurance rules have become a common tool to enforce liability law. While liability alone works in theory, financial assurances provide the necessary guarantees that a facility will be timely and properly abandoned even in the event of bankruptcies, corporate (or company or partnership) dissolution, or sheltering of assets overseas.[7]

Moreover, the County's own experience shows that efforts to hold previous oil operators financially responsible can be very costly to the County. The County expended over $300,000, for example, to get previous oil operators to clean up contaminated soils at Santa Barbara Shores. The County incurred these costs in conducting a site assessment, tracking down previous owners, negotiating clean-up responsibilities of contaminated sites with previous owners, paying for permitting costs associated with clean up that previous oil operators refused to pay, and paying for post-clean up restoration of the site. Financial assurance requirements can foster timely and relatively lost-cost public access to compensation or performance by reducing litigation and administrative costs.[8]

Comment No. 9: One speaker stated that, although the Minerals Management Service (MMS) and California State Lands Commission (SLC) require approval of operators and lessees, they do so as landowner, not regulator.

Summary of Staff's Response: These two agencies serve the dual role of landowner and regulator. Moreover, their role of landowner is one of stewardship of the land under the principles of the public-trust doctrine. Such stewardship, which includes ensuring environmental protection in accordance with applicable laws and regulations, necessarily melds with the role of regulator. Lastly, the MMS and SLC require the financial assurances, safety audits, and new operator testing in accordance with regulation and, therefore, do so as regulators.[9] However, these agencies do not regulate the onshore components of offshore oil and gas projects.

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[7] Boyd, *op. cit.*, page 1.
[8] *Ibid*, page 5.
[9] These regulations were developed to implement laws such as the federal Oil Pollution Act, the federal Outer Continental Shelf Land Act, the federal Clean Water Act, and the California Oil Spill Prevention and Response Act.

Staff is recommending the County follow the stewardship and regulatory example set by the MMS and SLC offshore in the context of applicable onshore oil and gas facilities when owner or operator change. The County certainly performs a regulatory role under its police powers and other statutes when permitting such facilities and enforcing compliance with laws and permit conditions. It also exercises stewardship of the environment in the County. Consequently, the relevance of the dual roles that the MMS and SLC meld together in their oversight of offshore oil and gas development – regulator and steward – is one that supports adoption of the proposed ordinance.

Comment No. 10: One speaker asked if the proposed ordinance seeks to nullify existing permits.

Summary of Staff's Response: The ordinance does not nullify existing permits, but rather provides a necessary tool, fashioned after the tested regulatory practices of the MMS and SLC offshore, to ensure continued financial assurances, safe operations, and compliance with applicable laws and permit conditions. However, the ordinance could lead to denial of a transfer of permit to a new operator if that operator is unqualified; it could lead to denial of a transfer to a new owner should the new owner not provide the required financial assurances, in which case the previous owner remains liable.

Comment No. 11: Some representatives of the oil industry objected to the component of the proposed ordinance that allowed additional conditioning of permits to ensure that the new operator, owner, or guarantor maintains adequate financial guarantees for operations and abandonment.

Summary of Staff's Response: The ability to add conditions to a permit is limited to maintenance of adequate financial guarantees for operations and abandonment. It mirrors the practices of both the Minerals Management Service and California State Lands Commission, which tailor financial guarantees based on the financial strength and operating records of lessees and operators. Additional requirements for financial guarantees are prudent if the new guarantor (including a new owner or operator) does not have the financial strength of the previous guarantor. The current amounts and mechanisms may not be sufficient or appropriate for a new guarantor if the previous guarantor had provided financial guarantees via self-insurance, for example. Therefore, staff recommends that the ability to amend the permit to ensure adequate financial guarantees remain in the ordinance. However, staff recommends clarifying the draft ordinance to limit such amendments to cases where there is a basis in the permit for doing so. [See Attachment C, Issue 3.]

Comment No. 12: Several speakers from the oil industry commented that smaller independent companies, including limited liability corporations or partnerships, are not necessarily less safe or financial weaker than majors.

Summary of Staff's Response: Staff recognizes that many independent oil companies have sufficient experience, assets, and safety records to operate facilities subject to the ordinance. Staff also recognizes, however, that there is no guarantee that any given operator, owner or guarantor automatically has the financial or technical requirements to operate such facilities.

Accordingly, we retain our recommendation for adoption of the proposed ordinance, and again note, this ordinance adapts regulatory processes already in-place for offshore oil and gas projects to apply to onshore components of those projects. Prospective operators with sound records and good experience should not find the ordinance troublesome, but rather should embrace the opportunity to demonstrate their sound qualifications to the community. Similarly, new owners and guarantors with strong financial balance sheets should take requirements of the ordinance in stride and embrace the opportunity to build confidence with the hosting county – items such as safety audits, financial assurances, and compliance with laws and permits are nothing new to their line of work.

Attachment B

Comparison of Proposed Change of Owner or Operator Ordinance Requirements with Practices of State and Federal Agencies and Handling of Recent Energy Division Cases

	Minerals Management	State Lands Comm.	Recent cases processed in Energy Division		Proposed Ordinance
			Point Arguello Project	Ellwood Facilities	
Change of Owner			Change of owner & operator. FDP revision. Denied by P/C. Approved 3/00 on appeal to Board.	Change of owner & operator. Done as ministerial change. Permit does not require SCD or FDP revision.	
Pre-sale facility audit	Yes	Yes	No	No	Yes. Audit within 3 years prior to sale.
Joint & several liability (owners)	Yes	Yes	Yes	Yes	Yes, based on pre-existing permit conditions
Non-managing partners	Approval required. Must be listed on lease. [1]	Approval required. Must be listed on lease.	Listed on permit.	No (N/A?)	Must accept permit. Must be listed on permit
Guarantor (approval of amount and method)	Yes	Yes	Yes	Marine Terminal only (under FROG [2]).	Yes
Change of Operator					
Pre-change facility audit	Yes	Required in some cases.	No	No	Yes. Audit within 3 years prior to sale.
Joint & several liability (operator)	Yes.	Yes	Yes	Yes	Yes
Cross training	Yes [3]	No [4]	Not required, but did occur.	Not required, but did occur.	Yes, where feasible
Pre-change emergency drills	Yes [3]	No [4]	Not required, but did occur.	No	Yes
Check safety & compliance records	Yes – 5 years	Yes – as available	Included in staff report	No	Yes – 7 years
Change of either Owner or Operator					
Applicability	OCS, state waters seaward of coastline & certain inland. Worst case spill >1000 bbl.	Marine waters of state (tidally influenced).	Point Arguello Project	Ellwood Marine Terminal, onshore processing facilities.	Onshore facilities in unincorporated S.B. 1. facilities supporting offshore oil/gas 2. refineries
Financial responsibility -- oil spill	Provided by lessee, operator, or 3rd party. Up to $150 million, depending on worst case spill potential.	Provided by lessee, operator, or 3rd party. OSPR administers. Up to $300 million, depending on worst case spill potential.	$260 million general liability insurance provided by operator.	$250 million for marine terminal required by FROG. No coverage for onshore processing facilities.	Yes, as required by permits or laws. May add permit conditions to assure adequate guarantees. [5]
Financial responsibility -- abandonment	Lessees provide "supplemental bonds." Amount discretionary, based on projected cost, operator safety & compliance track record, and financial soundness.	Lessees provide "structure bonds" & "performance bonds." Amount discretionary, based on projected cost, operator safety & compliance track record, and financial soundness.	Bond to be required immediately following permanent shut down of the facilities.	No bond required.	Yes, as required by permits or laws. [5]

1. Record title interest owners are jointly and severally liable and must be listed on the permit. Companies with an "operating right interest" in a lease and that are not jointly and severally liable are not necessarily listed on the lease.

2. S. B. County Code, Chapter 25A, *Evidence of Financial Responsibility to Clean Up Oil Spills* (Guidelines).

3. MMS requires facility inspections, cross training of new operator with departing operator, and rigorous drills prior to a change of operator. Drills include full facility shut down and restart to demonstrate operator competence.

4. SLC inspects facilities regularly and is on site monthly or more frequently monitoring operation. However, they have no special drills or cross training requirements in connection with change of operator.

5. Some permits contain conditions requiring financial responsibility or abandonment bonds. The proposed ordinance allows permit conditions to be added to ensure adequate financial responsibility. The proposed ordinance also looks forward to future adoption of financial responsibility and abandonment ordinances that will specify procedures and standards. In response to oil industry concerns that the financial assurance requirements are not specified in the Change of Owner/Operator ordinance, we will propose a separate interim ordinance specifying minimum requirements, to serve until financial responsibility and abandonment ordinances take effect.

Attachment C

Summary of Outstanding Issues

The draft ordinance went through many revisions in response to feedback from many sources, oil industry representatives in particular. In some cases, staff agreed outright with revisions recommended by the industry because we believe those revision made good sense and enhanced the draft ordinance. In other cases, staff believes the two parties reached a compromise. Staff has identified four substantive issues with the proposed ordinance that remain outstanding. These issues are summarized below, followed by a brief overview of earlier issues that have been resolved.

Unresolved issues

Staff understands the oil industry's principal outstanding concerns about the proposed ordinance have been reflected in the testimony presented during the August 1 Planning Commission hearing. These issues include:

- Operator of the facility versus owner or guarantor of the facility,
- Unknown financial responsibility definitions and procedures,
- Total permit condition re-opener provision, and
- Severe unnecessary penalties

Issue 1: Operator versus owner

SUMMARY OF ISSUE: One of WSPA's major contentions with the proposed ordinance rests with a requirement to obtain approval to transfer a permit when changes of owner or guarantor occur, rather than just the operator of the applicable facilities. WSPA's written testimony states that the operator is responsible both to the owners and to the County; therefore, the County should not be concerned about changes of owner or guarantor.[10] The critical issues identified in this proposed ordinance (safe operations, financial responsibility for oil spills and accidents, adequate financial responsibility for abandonment, and full compliance with County permits and law) can be addressed adequately through the operator of the facility, according to WPSA and Santa Barbara Region Chamber of Commerce.[11]

STAFF'S RESPONSE: First, the distinction between owners and operators is not as clear-cut as WSPA maintains. In some cases, the owner (or a subsidiary) is the operator. Where the owner is not the operator, a permit may be issued to either owner or operator, not necessarily to the operator. For example, Gaviota Terminal is owned by the partnership Gaviota Terminal Company (GTC), which is the permit holder. Equilon Pipeline Company, managing partner of GTC, is the operator. An application has been submitted for Arguello, Inc. to become operator, but the permit will remain with GTC. Furthermore, even where the permit is held by the operator

[10] Oral testimony of Mr. Frank Holmes, Coastal Coordinator for WSPA, is slightly inconsistent with his written testimony on this point. His oral testimony appears to clarify that, in most cases rather than all cases, the operator of the facility takes responsible on behalf of the owners to ensure compliance with permits and adequate financial responsibility. In a few cases, the owner provides the financial guarantees.

[11] In its written comments, the regional chamber opposes the ordinance for other reasons, but states that, should the County pursue such an ordinance, it should focus solely on the operator.

of record, the owner may actually be operating the facilities. An example is the Las Flores Canyon Gas Plant. The permit is in the name of POPCO, former owner and operator, which Exxon Mobil maintains is still operator. However, there is compelling evidence that the facility is now actually operated by ExxonMobil Pipeline Co. Another example of the blurring of the distinction between owner and operator example is Tosco's Unocap pipeline. Tosco owns Unocap as its parent company, and is the permit holder and actual operator of the pipeline, but the operator of record is Unocap. From these and other examples, it is apparent that if the County were to limit permits strictly to facility operators, the person that actually runs a facility would escape County oversight and enforcement under the permit in some cases.

Second, the owner and guarantor requirements under the proposed ordinance are not an attempt to control transfer of facility ownership. Consider the four provisions that pertain to change of owner or guarantor. The first three involve relatively minor changes handled by the Director.

a) For mergers and changes of form of business organization, the findings require that County fees are paid, that any required financial assurances are in place, and that the new owner agree to accept the permit. If the accounts with the County are up to date and the ownership change does not affect financial assurances, then the findings reduce to a single requirement, that is the owner agrees to accept the permit (and in doing so, agrees to joint and several liability under the permit). Thus, if financial assurances are provided by the operator (as WSPA indicates is appropriate) or a third party guarantor, then the change of owner process can be nearly ministerial, requiring a permit acceptance letter and listing of the new owner on the permit.
b) For change of guarantor, the only findings are to assure that financial assurances are in place. If the operator were to provide these assurances, the permit process reduces to listing the guarantor on the permit, attesting to the applicable guarantees.
c) For change of non-managing owner, the only finding is that a new part-owner accept the permit and be listed on the permit. If the modification to the ordinance recommended below is adopted, then new non-managing partners need only submit an application and be listed on the permit. (See p.16, top.)
d) For major changes in ownership or change of the managing partner of a partnership that owns the facility, under Planning Commission jurisdiction, three additional findings are required, beyond those required under (a) above. These findings relate to responsibilities of the managing owner for a facility (see 7/19/01 Staff Report, p. 20). The requirements in no sense discriminate against a new owner or obstruct a sale, and we have not heard any industry objections to these findings as presently worded.

One provision in the proposed ordinance that could potentially affect an ownership change is a clause that allows additional permit conditions to be added to assure adequate financial guarantees. This provision is discussed below in the staff response to WSPA's third issue.

Third, the County has a legitimate interest in requiring that all owners and operators of a facility be named on the permit. All owners, including part-owners, and operators are liable for oil spills and site contamination damages. Naming all parties may strengthen the County's hand in future pollution lawsuits. Should it be necessary to collect damages following a major accident, it is prudent for the County to have ready access to all owners, particularly since when it comes collection time some owners may be found without accessible assets. The requirement to submit an application and be listed on the permit should not discourage potential buyers, unless they

were previously unaware of their legal exposure as owners of an oil facility, or they believe their exposure is less if they are not named on the permit. Furthermore, because the distinction between owners and operators is blurry (the operator on the permit may not be the actual operator, as explained above), it is important to name all participants.

The above notwithstanding, staff appreciates industry's concern that the permit acceptance letter could place a burden, in the form of legal fees, on part-owners who have no direct involvement with a project, other than to have an ownership interest. Upon further consideration and advice from County Counsel, staff has determined that the requirement for a letter explicitly agreeing to the permit is not necessary to assure that a part-owner is jointly and severally liable under the permit. At this time, staff recommends modification of the ordinance, deleting the requirement for the permit acceptance letter. [See Attachment F, Sections 25B-4(2), 25B-6(6)(a)(3) and 25B-9(4).] This change would not affect the requirement that new part-owners must submit an application and be listed on the permit.

Fourth, although the role of the County is not identical with that of MMS and State Lands Commission, it is wrong to cast the roles as fundamentally different. MMS is a landowner, true, but as such it is charged with stewardship of the public lands. Part of MMS' role is to assure safe operation of platforms and protect the environment. Similarly, it is Santa Barbara County's charge to safeguard public safety and the environment. MMS names owners and part owners on leases, in part to make explicit their joint and several liability. Likewise, the proposed ordinance requires permit acceptance and listing. Under MMS and SLC rules, it is the lessees, not the operator, that are ultimately responsible for a facility and it's abandonment, although financial assurances may be provided by any qualified person, including lessee, operator, or third party guarantor. The proposed ordinance provides flexibility regarding who must provide assurances.

Finally, at core here is that by including owners on a permit the County is simply asking owners to understand and accept the very permit that allows them to conduct business in the County. Surely, public expectation is that oil companies doing business in the County based on County permits should at least be named on them as a matter of public record.

Issue 2: Unknown financial responsibility definitions and procedures

SUMMARY OF ISSUE: Another of WSPA's major contentions lies with undefined requirements for financial guarantees. WSPA notes that:

> *"... various oil and gas facilities have had operator changes over the past several years that have resulted in long and expensive County processes that revolved around the financial assurances. The current proposed ordinance does not remedy this core issue of how the level of financial assurance is determined and what financial assurance mechanisms are acceptable. ... If the County feels it necessary to have an ordinance with a stated purpose of assuring* "adequate financial responsibility," *then the ordinance should provide the clear mechanisms to comply with the requirement."*

STAFF'S RESPONSE: WSPA is correct in noting that determining the amount of financial assurances on a case-by-case basis, as changes of operator or owner occur, often results in prolonged negotiations between the County and the responsible parties. However, this difficulty

is by no means unique to Santa Barbara County. Relevant literature on the subject and current practices nationwide show the processes for determining financial guarantees in amounts adequate to cover the costs of clean-up and damages to natural resources to be contentious unless the amount of the liability itself is legislatively limited.[12] Experience also instructs us that the processes of clean-up of contamination and of assessing damage to natural resources are long and controversial (e.g., Exxon's Valdez incident, Casmalia Class I hazardous land fill, Torch's Point Pedernales oil spill). Such controversy holds true even after an event such as a major oil spill has occurred, let alone the task of projecting the costs of future liability from a potential event. It reflects a desire on part of owners to limit liability and a desire on part of government to ensure that financial responsibility for full clean-up and payment of damages falls to the owners and not the public.

As stated during the August 1st hearing, the County is currently seeking funds to draft a Financial Responsibility Ordinance that would address liability-based financial guarantees for potential damages to natural resources from events such as a major oil spill or chronic leakage of oil. Staff is also processing amendments to the Comprehensive Plan and related ordinances that, among other issues related to abandonment of oil and gas facilities, will recommend procedures for determining performance-based financial guarantees for abandonment, including remediation.

In the interim, staff had assumed the current case-by-case method for determining the amounts and methods of financial assurances would continue, utilizing the permit reopener provisions. The issue of unspecified financial responsibility had not been raised by industry in any of the meetings or public workshops. In fact, neither the Financial Guarantees nor the Abandonment findings [Sections 25B-9(1-3) and 25B-10(1-2)] impose any unspecified financial requirements. The findings simply require that financial responsibility and abandonment provisions in permits and ordinances are adhered to following changes of owner, operator, or guarantor. On the other hand, the reopener provisions [Sections 25B-9(5) and 25B-10(3)] do allow the Director or Planning Commission to add financial responsibility requirements. Industry has consistently opposed any permit reopener conditions. If the ordinance were adopted unchanged, the current practice of setting financial responsibility requirements, on a case by case basis, would continue until a financial responsibility ordinance is adopted.

If definite financial responsibility standards (or interim standards) were available, the permit reopener clause would be less crucial. Subsequent to the August 1st hearing, staff evaluated the possibility of drafting interim standards, patterned after the financial responsibility regulations of the State of Alaska. We concluded this approach would be inadvisable, because the time required to prepare the standards and conduct public hearings would result in excessive delays in adoption of the Change of Owner/Operator ordinance. The task of developing standards is complex, involving first, development of a method to evaluate the potential costs of onshore spills, and second, reevaluation of financial responsibility instruments to determine which are acceptable and realistically within the County's expertise to administer. Staff does not at present believe that the guidelines in Chapter 25A (financial responsibility for marine terminals) offer a model

[12] See, for example, James Boyd. *Financial Assurance Rules and Natural Resource Damage Liability: A working Marriage?* (Washington, D.C.: Resources for the Future, 2001). Pages 30-32. The Minerals Management Service reports that negotiations with proposed new offshore operators about adequate amounts of financial assurances for decommissioning of offshore facilities can take as along as 18 months. The State of Alaska's financial assurances for the same types of facilities addressed in the proposed ordinance evolved over 3 decades that included litigation by the oil industry.

suitable for onshore facilities. Formulation of sound standards is best left for the financial responsibility and abandonment ordinances.

Issue 3: Permit Condition Re-opener

SUMMARY OF ISSUE: WSPA objects to a provision that allows the Director or Planning Commission to impose additional conditions on a permit in order to ensure that the new owner, operator, or other guarantor maintains adequate financial guarantees for operations and abandonment.[13]

STAFF'S RESPONSE: The intent of this re-opener is to augment financial assurances where a new owner or operator may not have the financial wherewithal to cover the costs of spills or abandonment. The augmentation may address either the type of assurances provided or the amount of assurances. The ability to reevaluate financial assurances would be especially important if an under-capitalized firm were to purchase a facility from one of the majors or large independents. For example, an existing permit may allow the current owner to provide financial assurances via self-insurance, since original owners most often were large, vertically integrated corporations. A new owner may not have sufficient net worth to cover its liability through self-insurance. Therefore, the ordinance provides the decision-maker with discretion to require another, more secure instrument of financial assurance, such as commercial insurance or bond.

Staff believes that the vagueness of the financial responsibility reopener needs to be addressed. As discussed in the previous section, staff does not recommend rushing to develop standards, in view of the complexities involved. Nor do we believe it is constructive to postpone going forward with this ordinance, since that approach would do nothing to address the acknowledged need for definite financial responsibility standards and would lead to further delays in processing pending applications.

An alternative course, and the one we recommend, is to clarify the wording of the reopener sections of the proposed ordinance so as to limit the imposition of permit conditions. [See Attachment F, Sections 25B-9(5), 25B-10(3).] Under the revised wording, permit conditions could be added to ensure that the new owner, operator, temporary operator, or other guarantor "maintains any insurance or other financial guarantees that were submitted to and relied on by the Director as a basis to make any finding required by this Chapter." This language would not open permits up for negotiation of financial responsibility, except in cases where a permit already contains the basis for doing so. Under present practice, conditions may be added to adjust financial assurance requirements in cases where there is a change in the underlying assumptions of the project resulting from an owner or operator change, provided there is a condition in the permit that allows additional conditioning for changes of project description. Most permits contain such a provision. With the revised language, the reopener capability would be limited to that which already exists in practice.

Staff also recommends addition of a new provision to help assure that financial responsibility for abandonment is maintained following changes of owner or operator. [See Attachment F, Section

[13] WSPA's testimony incorrectly characterized this provision as one that allows re-opening of all existing conditions of a permit; however, the provision is limited to imposing new conditions to ensure maintenance of adequate financial assurances (see sections 25B-9(5) and 25B-10(3) of the proposed ordinance)..

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25B-4(9).] The provision requires that the previous owners and operators remain liable for proper abandonment of the facility if the new owner and operator do not have adequate financial resources. This requirement parallels a California law applying to onshore oil wells [Public Resource Code 3237(c)]. It also reflects the practice of MMS and State Lands Commission, which often require previous offshore operators to remain responsible for abandonment costs.

Issue 4: Severe and unnecessary penalties

SUMMARY OF ISSUE: WSPA contends that the civil, criminal, and injunctive penalties are too severe because, for instance, jail time and $25,000 per day in fines could be levied for a missed filing deadline. WSPA further contends that the mere requirement of County approval for any change of operator is sufficient to ensure compliance.

STAFF RESPONSE: Staff reiterates its recommendation that the ordinance provide a mechanism for enforcement, otherwise the County would have no defined recourse to address violations to the ordinance. For instance, what recourse would the County have without imposition of penalties if the operator of an applicable facility changed operators without receiving county approval? WSPA's explanation – that the mere requirement of obtaining County approval is sufficient –does not enforce compliance in itself. The penalties described in Section 25B-13 address cases of non-compliance just as traffic fines address cases of non-compliance with the California Vehicle Code. Section 25B-13 also provides an economic incentive for compliance with the ordinance.

Issues Resolved by Compromise

In a number of instances, staff believes we found a middle ground that partially answers industry's objections. For example:

a) In response to a comment that the application contents were vague, a section was added specifying the required application contents, but a provision was included to allow the Director to require supplementary information, if needed.
b) In response to industry's request that non-managing part-owners not be required to submit applications or be listed on the permit, we simplified the application requirements so that part-owners have only to agree to accept the permit, a process requiring but a single brief letter.
c) Industry expressed two concerns about the requirement for review of an incoming operator's safety and compliance records, namely, the absence of hard and fast standards of past operating performance, and how to qualify a new operator that lacks the requisite track record. In staff's opinion, based in part on discussions with Minerals Management Service and State Commission, a fair evaluation of operating records can only be done on a be case by case basis; evaluation of diverse records is not amenable to fixed standards, which preclude the use of judgement as well as consideration of all the relevant facts. However, we added to the ordinance a list of source agencies for operator records, in order to help ensure that operating record evaluation is based on objective source data. Also, we added a provision that enables a new operator that lacks a 7-year record to qualify. (This provision contrasts with the MMS rule requiring OCS platform operators to have 5 years of satisfactory operating record.)

Industry Suggestions Integrated as Points Well Taken

Many issues concerning specific wording or practical workability in previous drafts were rectified by means of clarifications of language, rethinking of procedures, and deletions of unnecessary or unworkable provisions. Some examples include:

a) deletion of the requirement for site contamination assessments, which we agreed was more appropriately addressed in the forthcoming Abandonment Ordinance;
b) clarification of the applicability section, limiting applicability of the ordinance to unincorporated areas of the County;
c) redesign of the application process, including addition of a requirement for the Director to determine application completeness within 30 days of receiving an application for change of owner; and
d) spelling out how the process prescribed in the ordinance interfaces with the permit process under the Zoning Ordinance.

Attachment D

Response to Comments from Chambers of Commerce

The Planning Commission received written testimony from the Santa Barbara Region Chamber of Commerce, and the Santa Maria Valley Chamber of Commerce & Visitor & Convention Bureau. It also received oral testimony from the Goleta Valley Chamber of Commerce (Mr. Bob Poole), and the Santa Maria Valley Economic Development Association (Mr. Bill Snow). At the request of Commissioner Oberdeck, staff has summarized the issues raised in this testimony and provided a response.

Of the six issues summarized below, the first four repeat the four issues raised by the Western States Petroleum Association (WSPA). The final two issues summarized below (5 & 6) appear to represent misunderstanding of the ordinance as proposed.

Comment 1: Operator of the facility versus the owner or guarantor of the facility

SUMMARY OF ISSUE: As noted in Attachment C, one of WSPA's major contentions with the proposed ordinance rests with a requirement to obtain approval to transfer a permit when changes of owner or guarantor occur, rather than just the operator of the applicable facilities. WSPA's written testimony states that the operator is responsible both to the owners and to the County; therefore, the County should not be concerned about changes of owner or guarantor.[14] The critical issues identified in this proposed ordinance (safe operations, financial responsibility for oil spills and accidents, adequate financial responsibility for abandonment, and full compliance with County permits and law) can be addressed adequately through the operator of the facility, according to WPSA and Santa Barbara Region Chamber of Commerce.[15]

STAFF'S RESPONSE: Please refer to the staff's response to Issue 1 on page 14.

Comment 2: Unknown Financial Responsibility Definitions and Procedures

SUMMARY OF ISSUE: Another of WSPA's major contentions lies with undefined requirements for financial guarantees. WSPA notes that:

> *"... various oil and gas facilities have had operator changes over the past several years that have resulted in long and expensive County processes that revolved around the financial assurances. The current proposed ordinance does not remedy this core issue of how the level of financial assurance is determined and what financial assurance mechanisms are acceptable. ... If the County feels it necessary to have an ordinance with a stated purpose of assuring* "adequate financial responsibility," *then the ordinance should provide the clear mechanisms to comply with the requirement."*

[14] Oral testimony of Mr. Frank Holmes, Coastal Coordinator for WSPA, clarifies that, in most cases rather than all cases, the operator of the facility takes responsible on behalf of the owners to ensure compliance with permits and adequate financial responsibility. In a few cases, the owner provides the financial guarantees.

[15] In its written comments, the regional chamber opposes the ordinance for other reasons, but states that, should the County pursue such an ordinance, it should focus solely on the operator.

The Santa Barbara Region Chamber of Commerce, Goleta Valley Chamber of Commerce, and Santa Maria Valley Chamber of Commerce repeated this concern.

STAFF'S RESPONSE: Please refer to the staff's response to Issue 2 on page 16.

Comment 3: Permit Re-Opener

SUMMARY OF ISSUE: WSPA objects to a provision that allows the Director or Planning Commission to impose additional conditions on a permit in order to ensure that the new owner, operator, or other guarantor maintains adequate financial guarantees for operations and abandonment.[16] The Goleta Valley Chamber of Commerce and the Santa Maria Valley Economic Development Association repeated this objection.

STAFF'S RESPONSE: Please refer to staff's response to Issue 3 on page 18.

Comment 4: Severe and unnecessary penalties

SUMMARY OF ISSUE: WSPA contends that the civil, criminal, and injunctive penalties are too severe because, for instance, jail time and $25,000 per day in fines could be levied for a missed filing deadline. WSPA further contends that any penalty is unnecessary; the County simply needs to require its approval of a new operator via the ordinance. The Santa Maria Valley Chamber of Commerce appeared to repeat this contention, while the Santa Barbara Region Chamber of Commerce expressed concern that the penalties were not defined.

STAFF RESPONSE:

(a) Purpose of the enforcement provision. Staff reiterates its recommendation that the ordinance provide a mechanism for enforcement, otherwise the County would have no defined recourse to address violations to the ordinance. For instance, what recourse would the County have without imposition of penalties if the operator of an applicable facility changed operators without receiving county approval? WSPA's explanation – that the mere requirement of obtaining County approval is sufficient –does not enforce compliance in itself. The penalties described in Section 25B-13 address cases of non-compliance just as traffic fines address cases of non-compliance with the California Vehicle Code. Section 25B-13 also provides an economic incentive for compliance with the ordinance.

(b) Discretionary versus arbitrary penalties. The penalties proposed in Section 25B-13 mirror those found in the County's zoning ordinances.[17] In so doing, Section 25B-13 sets maximum civil and criminal penalties and leaves the setting of specific penalties to the discretion of the court, which would do so in an amount that is based on case-specific facts and extent of the

[16] WSPA's testimony mistakenly represented this provision as one that allows re-opening of all existing conditions of a permit; however, the provision is limited to imposing new conditions to ensure maintenance of adequate financial assurances (see sections 25B-9(5) and 25B-10(3) of the proposed ordinance)..

[17] See Sections 35-185.4 and 35-330.4 of Article II (Coastal Zoning Ordinance) and Article III (Inland Zoning) of the Santa Barbara County Code.

offense. Far from being arbitrary, such practice represents the common exercise of discretion in the legal system of the United States to allow for consideration of case-specific factors.

The example provided by WSPA, a $25,000 per day fine plus jail time for merely missing a filing deadline, is unrealistic. In this example, WSPA has chosen a minor violation and implied that a judge would impose the maximum penalty defined in the ordinance. This example does not reflect actual judicial practice.

The underlying issue here essentially, is whether the determination of penalties should be a fully ministerial process or a discretionary process with maximum limits prescribed in advance. A fully ministerial process is ideal for instances where the type and permutations of violations are straight-forward, regardless of case-specific factors. In applications such as ensuring compliance with the proposed ordinance, the importance of case-specific factors make a discretionary process with prescribed maximum limits more appropriate.

Comment 5: Double Regulation

SUMMARY OF ISSUE: The Santa Barbara Region Chamber of Commerce and the Santa Maria Valley Chamber of Commerce suggest that the ordinance is unnecessary because it establishes double regulations on a industry that is already heavily, and adequately, regulated.

STAFF RESPONSE: As noted in the staff report, the transfer of ownership, operator, or guarantor for the offshore components of oil and gas projects is regulated by the Minerals Management Service and State Lands Commission. The transfer of ownership, operator, or guarantor for the onshore components is currently regulated only through permit conditions, and only for facilities that have such conditions (compare, for example, the differences in change of operator/owner processes for the Point Arguello and Ellwood facilities as summarized in Attachment B). Moreover, these permit conditions vary considerably. Please see staff's response to comment number 3, which appears on page 3 of this memorandum.

We believe it is prudent to ensure that:

- new operators are capable of operating the facility safely and in compliance with those conditions,
- new owners understand all safety upgrades required of a facility they desire to purchase,
- new owners, operators, or guarantors understand and can assume their liability and required financial assurances for a facility,
- transfers of permits proceed only after all outstanding fees and exactions are paid,
- transfers of permits proceed with agreements to come into compliance with current laws and permit conditions, and
- new owners and operators accept the permit.

None of these items is duplicated by other laws or regulations. Moreover, Section 25B-5 of the ordinance explicitly establishes that the procedures of the proposed ordinance supercede other procedures in the zoning ordinances and specific permits to eliminate any procedural duplication or conflict.

Comment 6: Ownership of private business

SUMMARY OF ISSUE: Testimony from the Santa Barbara Region Chamber of Commerce and the Santa Maria Valley Economic Development Association raised concerns that the ordinance might be an attempt to regulate the ownership of private business.

STAFF RESPONSE: The ordinance seeks to ensure that the obligations of the discretionary permits that go with ownership of the subject facilities are fulfilled. The County issued these permits with the understanding that the subject facilities would be operated safely and in compliance with applicable law and permit conditions. These permits were also issued with the understanding that the County would monitor and enforce the permit requirements and applicable regulations. The proposed ordinance fills a gap by ensuring that any transfer of owner, operator, or guarantor meets the obligations of the very permits that allow the subject facilities to operate in the first place. New owners willing to fulfill such pre-existing obligations and operators with sufficient experience (supported by good safety and compliance records) to manage the day-to-day operations of subject facilities safely should not find or encounter any substantial burden in complying with the ordinance.

Attachment E

Clarifications of Proposed Ordinance for Change of Owner/Operator in Response to Planning Commission Questions

Comment 1: Rationale for bifurcation of cases between Director and Planning Commission

Staff's intention in creating two approval paths is to route the more substantive cases to the Planning Commission and less substantive, more administrative cases to the Director.

We anticipate a continuum of change of owner/operator cases, ranging from minor, administrative cases, such as a merger of a facility owner with another company, to a full facility sale involving changes of both owner and operator. In past practice, cases involving major changes of owner or operator have been brought before the Planning Commission, where the Zoning Ordinance and permits have allowed. This process is appropriate, because such changes potentially raise public safety and environmental concerns. These types of changes may also raise controversy, and should be presented in a public hearing. Examples include the Chevron's sale of its share of the Point Arguello Project to Plains/Arguello, Inc. and Unocal's sale of the Point Pedernales Project to Torch. On the other hand, in staff's view, cases that are routine and administrative in nature, involving relatively minor changes of ownership that are not likely to be controversial, would put an unnecessary burden on the Commission, and can be well handled at the Director level. Consider the recent merger of Exxon with Mobil to form Exxon Mobil Corp. This change of owner and operator will have no effect on operations, and will only increase the company's financial strength and ability to respond to accidents. Should such changes require a Planning Commission hearing? We believe not, particularly since a Director's decision is appealable to the Planning Commission.

In principle it makes good sense to partition change of owner/operator cases into administrative and substantive classes to guide case processing, but what criteria can be used for the bifurcation? Two underlying premises have steered us to recommend the criteria that appear in the proposed ordinance [Sec. 25B-8]. First, ownership changes that involve replacement of the existing owner with a new owner should be heard by the Planning Commission. In such cases, control and responsibility for a project passes to a new entity without continuity. Major changes in management and personnel are likely. The new owner's philosophy and culture may be different from the existing owner's, and this may affect permit compliance and influence operations for better or worse. Also, a change of owner is usually accompanied by a change of operator. Where a partnership owns the facility, replacement of the managing partner has similar potential effect as replacement of a facility owner. Second, a change of the operator who has day-to-day control of facility operations needs public airing at the Planning Commission level, due to potential concerns about the capability of the new operator to operate the facility safely. Thus, as the proposed ordinance is written, all cases where there is likelihood of discontinuity in ownership, managing partner, or operator are directed to the Planning Commission [Sec. 25B-8(2)].

Changes of owner or operator to be handled by the Director [Sec. 25B-8(1)] would rarely entail major disruption or discontinuity as described above. The merger of an owner or operator with another company implies a continuing involvement of the existing owner or operator. The company's culture and personnel can be expected to undergo much less change than would occur if a new owner or operator replaced a current one. In many cases, there will be no changes in management style or personnel. Similarly, conversion from a corporation to a limited liability company may involve no tangible changes. The County's primary concerns in all such cases are to assure continuing financial responsibility for operations, accidents and spills, and facility abandonment, and to ensure that the new parties agree to accept responsibility under the permit. Change of a guarantor requires only establishing that the new guarantor provides sound financial guarantees. Though these cases require analysis and discretionary judgement, they are relatively cut-and-dried compared to the cases the proposed ordinance routes to the Planning Commission. These cases listed in Sec. 25B-8(1) are unlikely to give rise to controversy and can reasonably be handled by the Director.

Comment 2: Rationale for Director-Approval of Temporary Operator

As discussed in the Staff Report (p.18), the provision for a Director-approved temporary operator is intended as a safety valve to be invoked under special circumstances to facilitate temporary replacement of a poor operator with an acceptable one. The provision was included because of staff's concern that the more demanding and potentially lengthy review required for change of operator [Sec. 25B-10(2)] might impede an owner from replacing an unsatisfactory operator even where both the owner and County agree that the operator should be replaced immediately. The provision gives the Director discretionary power to approve an operator for six months, during which the temporary operator (or another operator) would seek approval for permanent operator status.

One Commissioner asked if this discretion could be abused. Two protections are included in the approval of a temporary operator. First, to make the *Operator Capability* finding [Sec. 25B-9(3)(c)], the Director must have factual basis, albeit of an unspecified nature, that the proposed temporary operator has the necessary skills and training for safe operation. This includes "good working knowledge of the crucial compliance plans listed..." Second, the Director's decision may be appealed to the Planning Commission, and most likely would be appealed if the Director approved an operator with a poor safety record. In the judgement of staff, although the temporary operator provision carries some risk of abuse, the possible consequences of not including such a safety mechanism are more serious.

A question was raised as to how the process of approving a temporary operator would occur in practice. In determining a temporary operator's capability, the Director has latitude to work with the applicant, discuss and agree on how the change will take place, arrange for emergency drills, etc., as the circumstances may demand. After making the required findings [Sec. 25B-9(3)], the Director would approve the application, as stipulated under Processing [Sec. 25B-8(c)]. The process requires noticing, but no hearing, and is modeled after the process for a Director's Amendment (see County Code, Sec. 35-317.10(2)(c)).

Comment 3: Rationale for Approval of Non-Managing Partner

While replacement of the managing partner of a partnership that owns a facility would go to the Planning Commission under the bifurcation rules, addition or deletion of a non-managing partner or similar part-owner of a facility is included under the Director's path. Many oil and gas projects include multiple part-owners who play no active role in the project. Under the proposed ordinance, those part-owners who are not guarantors for a facility and are not managing partners need only agree to accept the permit and be listed on the permit. If the modification to the ordinance recommended under Issue 1 of Attachment C is adopted, then non-managing part-owners will only need to submit an application and be listed on the permit. Similarly, the Minerals Management Service and State Lands Commission require all part-owners to be listed on offshore leases. In view of the fact that these part-owners neither provide financial guarantees nor manage the partnership, staff believes a more burdensome process is not warranted. Industry may argue that even these minimal requirements are excessive, first, because all part-owners are already liable under state and federal laws, and second, because such a provision will impair the ability to sell an ownership interest. However, County Counsel maintains that if such part-owners are listed on the permit, the County's hand will be strengthened should a lawsuit arise over oil spills, abandonment, or site contamination. It is also in the public interest to assure that new owners are fully cognizant of the liability they assume in buying into an oil and gas project.

One possible concern about the abbreviated process for approving part-owners is the possibility that an owner could purchase a large percentage ownership share in a project and exercise control without being designated as managing partner. If a part-owner were in fact to assume management functions, that company would be considered a managing partner, and as such would be required to apply for a change of owner through the Planning Commission approval route. If they engaged surreptitiously in managing the project, that would constitute a violation of the ordinance, subject to its enforcement provisions. Staff believes there is little cause for concern in such cases, because all owners and part-owners are jointly and severally liable under the permit..

Comment 4: Changes in Percentage Ownership Among Existing Owners

If a part owner is added or deleted from a project, the Director handles the change, as discussed above. Under either a general partnership or joint operating agreement (which is a kind of quasi-partnership common in the oil and gas industry), ownership share of the partners may change. Such a change of percentage share in project ownership is exempted from the ordinance, except where the change entails addition or deletion of a part-owner or affects financial guarantees [Sec. 25B-2(2)(b)]. The reason is that nowhere in the ordinance does percentage ownership come into play. An owner is either on the permit or not, and whether they own 1% or 51% interest makes no difference. What does make a difference, in terms of the approval process, is whether an owner has management authority and whether they provide financial guarantees. Hence, if a part-owner buys part an additional interest and becomes 60% owner, the key question the Director would ask is "Have they become the managing partner?" If so, an application for change of owner/managing partner would be required, and the application would be under the Planning Commission approval path. If the percentage change were in some way to impact financial

responsibility guarantees, an application for change of guarantor would be required under the Director's approval path. Ongoing notification of any such changes is required, whether or not the change necessitates a change of owner application [Sec. 25B-4(4)]. The notification requirement is meant to ensure that the County is notified of and can review changes that might potentially require an application.

Attachment F

Draft Ordinance for Change of Owner, Operator, or Guarantor for Certain Oil and Gas Facilities

showing revisions proposed 9/7/01

Chapter 25B of Santa Barbara County Code (Proposed Ordinance, Revised 9/7/01)

CHANGE OF OWNER, OPERATOR OR GUARANTOR FOR CERTAIN OIL AND GAS FACILITIES

Sec. 25B-1. Purposes of Chapter.

The purposes of this Chapter are to protect public health and safety, and safeguard the natural resources and environment of the County of Santa Barbara, by ensuring that safe operation, adequate financial responsibility, and compliance with all applicable County laws and permits are maintained during and after all changes of owner, operator or guarantor of certain oil and gas facilities.

Sec. 25B-2. Applicability.

(1) This Chapter shall apply to any person who owns, operates or guarantees performance for or who seeks to own, operate or guarantee performance for any of the following facilities located in the unincorporated areas of the County of Santa Barbara:

a) any facility involved in exploration, production, processing, storage or transportation of oil or gas extracted from offshore reserves;

b) any oil refinery;

c) any pier, supply base, marine terminal or staging area within the County's jurisdiction that supports development of offshore oil and gas reserves.

(2) This Chapter shall not apply to:

a) the change of owner, operator or guarantor of the following:

i. sales gas pipelines operated by a public utility and regulated by the California Public Utilities Commission;

ii. trucks, railroads;

iii. facilities located in state waters;

b) a change of ownership consisting solely of a change in percentage ownership of a facility and which does not entail addition or removal of an owner or affect any financial guarantee for a permit.

Sec. 25B-3. Definitions. As used in this Chapter:

"Director" shall mean the Santa Barbara County Director of Planning and Development.

"Existing guarantor" shall mean a guarantor who has guaranteed performance for an existing owner or operator, on the date of adoption of this chapter, but shall not include any person who is required to but has not yet obtained an amendment to a permit that requires County approval prior to listing that guarantor on the permit.

"Existing owner or operator" shall mean any person who owns or operates a facility identified as subject to this chapter pursuant to Section 25B-2 on the date of adoption of this chapter, but shall not include any person who owns or operates such a facility and is required to but has not yet obtained an amendment to a permit that requires County approval prior to the transfer of the permit to that owner or operator.

"Guarantor" shall mean any person who guarantees performance for any County permit or ordinance requirement for a facility subject to this Chapter. For purposes of this Chapter, guarantor may include any owner, operator, or third party.

"Managing partner" of a partnership shall mean the partner formally designated and vested by the partnership with authority to make all ordinary business decisions for the partnership on behalf of all partners. ~~If no partner is so designated, then all partners shall be considered managing partners.~~

"Operator" shall mean any person having day-to-day control or management of operations of a facility, or a portion thereof, subject to this Chapter.

"Owner" shall mean any person that owns or leases a facility, or a portion thereof, subject to this Chapter.

"Pending owner or operator" shall mean any person who owns or operates a facility subject to this chapter and is required to but has not yet obtained an amendment to any necessary permit that requires County approval prior to the transfer of the permit to that owner or operator.

"Person" shall include, but is not limited to, any individual, proprietorship, firm, corporation, partner, partnership, limited partnership, limited liability company, joint venture, business trust, or other business entity, or an association, or other organization.

Sec. 25B-4. Requirements.

(1) Listing on Permit. Any person who owns or operates a facility that is subject to this Chapter pursuant to Section 25B-2 shall be listed as a permittee on the permit(s) issued for that facility, pursuant to Chapter 35 of the County Code, or Ordinances 661, 2919 or 3238. Any guarantor for such facility shall be listed on the applicable permit(s), identifying its responsibilities as guarantor. Should any owner, operator, or guarantor consist of a partnership, all partners shall be listed on the permit and~~, where applicable,~~ the managing partner shall be identified in this list.

(2) Acceptance of Permit. Prior to being listed on a permit, any owner or operator of a facility that is subject to this Chapter shall provide the County with a letter from a responsible official of the owner or operator formally accepting all conditions and requirements of the permit. This provision shall not apply to part owners that are not managing partners.

(3) Permits Not Transferable. Any permit issued or authorized pursuant to Chapter 35 of the County Code, or Ordinances 661, 2919 or 3238, for a facility that is subject to this Chapter shall not be transferable, whether by operation of law or otherwise, from any existing owner, operator, or guarantor to a new owner, operator, or guarantor, except in accordance with this Chapter.

(4) Ongoing Notification. All owners, operators, and guarantors shall, as an ongoing requirement, notify the Director in writing of any change in the information listed in 25B-6(1)(a-e) within thirty days of such change.

(5) Change of Owner. Any change of owner, merger of the owner with another company, or change of form of business organization, shall require application and approval as provided in this Chapter. Until a change of owner is approved pursuant to this chapter, the former owner(s) shall continue to be liable for compliance with all terms and conditions of the permit and any applicable County ordinances.

(6) Change of Operator. Any change of operator shall not occur until approved in accordance with this Chapter, except as follows. Any change of operator that consists solely of a merger or change of form of business organization, but does not entail any change to operations or personnel of the facility, shall require an application within 30 days of the change, as provided in Section 25B-6(3) for change of owner.

(7) Change of Guarantor. Any change of guarantor, including merger of the guarantor with another company or change of form of business organization, shall require application and approval as provided in this Chapter. Until a change of guarantor is approved pursuant to this chapter, the former guarantor(s) listed on the permit shall continue to be liable for compliance with all terms and conditions of the permit and any applicable County ordinance.

(8) Liability for Compliance with Permit Conditions. Any owner, operator or guarantor listed on a permit pursuant to this Chapter shall comply with all conditions of such permit, as applicable, to owners, operators and guarantors. Failure to comply with such permit conditions shall subject the owner, operator or guarantor to the applicable penalty and enforcement provisions of Chapter 35 or other applicable ordinance for such permits.

(9) Liability for Abandonment.

(a) The current owner or operator, as determined by the records of the Director, of a facility subject to this chapter shall be responsible for the proper abandonment of the facility. If the Director determines that the current owner or operator does not have the financial resources to fully cover the cost of abandoning the facility, the immediately preceding owner or operator shall be responsible for the cost of abandoning the facility.

(b) The Director may continue to look seriatim to previous owners or operators until an owner or operator is found that the Director determines has the financial resources to cover the cost of abandoning the facility. However, the supervisor may not hold an owner or operator responsible for abandonment under this chapter that made a valid transfer of ownership or operation of the facility prior to [adoption date of this ordinance].

Sec. 25B-5. Relation to permits and Zoning Ordinance.

(1) The provisions of this Chapter shall, for applicable facilities, supercede any provision of Chapter 35, Articles II and III, governing the transfer of permits for such facilities. The procedures of this Chapter shall also supercede any procedures specified in any permit governing the transfer of permits for such facilities, but shall not invalidate any substantive requirements of such permits.

(2) Permit amendments approved pursuant to this Chapter shall be entitled "25B Permit Amendments" and shall be enforceable as provided in this Chapter.

Sec. 25B-6. Applications.

(1) Existing Owners, Operators, and Guarantors. Within 30 days of the effective date of this Chapter, any existing owner, operator or guarantor, shall submit a certification to the Director, on a form approved by the Director, specifying the following information regarding the current owner(s), operator(s), and guarantor(s):

a) name and address;

b) role in ownership, operation and management of facility, or in guaranteeing performance for an owner or operator;

c) names and addresses of official company representatives authorized and designated to execute applications, agreements and permits with the County on behalf of the company;

d) description of the company business organization, including relation to parent companies, partnership composition, and other information needed to fully and accurately disclose who it is that owns, operates, or is otherwise responsible for the facility;

e) expiration date of any company described in §25B-6(1)(a-d), above.

(2) Pending Owners and Operators. Within 30 days of the effective date of this Chapter, any pending owner or operator shall submit an application to the Director requesting transfer of the applicable permit(s).

(3) New Owners or Deletion of Owners. Prior to any transfer of a permit to a new owner or deletion of an owner from a permit the current owner(s) and proposed owner shall submit an application to the Director requesting such change. The application shall be filed before the transfer of ownership, or if not practicable, in no event, later than 30 days after the change of ownership.

(4) New Operators. Prior to any transfer of permit to a new operator, the current permittee(s) and the proposed operator shall submit an application to the Director requesting such transfer.

(5) New Guarantors or Deletion of Guarantors. Prior to the listing of a new guarantor or the deletion of a guarantor on a permit, the permittee(s), the current guarantor, and, as appropriate, the proposed guarantor shall submit an application to the Director requesting

such transfer or deletion. The application shall be filed before the change of guarantor, or, in no event, later than 30 days after the change of guarantor.

(6) Application Contents. Applications submitted pursuant to this Chapter shall include the following information:

(a) Information Required for Applications for Change of Non-Managing Partners and Non-Operators Pursuant to Section 25B-8(1)(a)(v).

i. All information listed in Section 25B-6(1)(a-e) of this Chapter.

ii. A brief statement of the changes or proposed changes.

~~iii. A letter from the new owner accepting the permit(s).~~

(b) Information Required for All Applications, Except as Provided in Section 25B-6(6)(a):

i. All information listed in Section 25B-6(1)(a-e) of this Chapter.

ii. A detailed statement of the changes or proposed changes for which approval is sought.

iii. General background information on any proposed new permittee or guarantor, including business plan, if available.

iv. Financial information on any owner, operator, or other guarantor needed for the Director or Planning Commission to make the Financial Guarantees and Abandonment findings. This information shall include the previous year's annual report, audited financial statements, and required SEC filings.

v. Any required letter accepting the permit(s).

vi. Any other information that the Director or the Planning Commission may require to approve any change in owner, operator, or guarantor in accordance with this Chapter.

(c) Additional Information for Temporary Operator:

Evidence demonstrating that the proposed temporary operator has the necessary skills and training, as required by Section 25B-9(3)(c).

(d) Additional Information for Change of Owner Under Section 25B-8(2):

All documentation needed to make the findings required by this Chapter for Facility Safety Audit, Compliance With Existing Requirements, and Compliance Plans.

(e) Additional Information for Change of Operator Under Section 25B-8(2):

i. All documentation needed to make the findings required by this Chapter for Facility Safety Audit, Compliance With Existing Requirements, and Compliance Plans.

ii. Approved transitional plan.

iii. Evidence that operating personnel have been trained in and have good working knowledge of the crucial compliance plans.

iv. Evidence of satisfactory performance on emergency drills.

v. Documentation of safe operating record or adequate experience and expertise, as required by Section 25B-10(2)(j).

Sec. 25B-7. Listing of owners, operators, guarantors and temporary operators on permits.

(1) Existing Owners, Operators, and Guarantors. The Director shall list any existing owner, existing operator, or existing guarantor, as they are defined in Section 25B-3 of this Chapter, on the appropriate permit(s) upon finding that such person has submitted all information required in Section 25B-6(1) and has complied with Section 25B-4(2), if applicable.

(2) New Owners, Operators, Guarantors, and Temporary Operators. The Director shall list any new owner, operator, guarantor, or temporary operator on the appropriate permit(s), and remove any previous owner, operator, guarantor, or temporary operator that no longer serves such role, upon approval of the permit transfer, pursuant to Sections 25B-9 and 25B-10.

Sec. 25B-8. Processing.

(1) Applications Under Jurisdiction of the Director.

a) The Director shall approve or deny any application to transfer a permit for changes that consist solely of the following:

i. merger of a current owner or operator with another company;

ii. change in form of business organization of a current owner or operator, including change from corporation to limited partnership or limited liability company;

iii. change of a guarantor;

iv. substitution of a temporary operator;

v. addition or deletion of non-managing partner or non-operator under a joint operating agreement, where such person is not a guarantor;

vi. any other change of ownership not under the Planning Commission's jurisdiction.

b) Prior to approval of such application, the Director shall make all findings required by Section 25B-9(1),(2), (3), or (4), as applicable, and shall take all actions necessary under Section 25B-9(5).

c) A public hearing shall not be required for applications approved or denied by the Director. Notice shall be given, however, at least ten (10) days prior to the date of the Director's decision, as provided in Santa Barbara County Code, Chapter 35, Article II, Section 35-181.2 or Article III, Section 35-326.2, as appropriate.

(2) Applications Under Jurisdiction of the Planning Commission.

a) The Planning Commission shall approve or deny any application to transfer a permit for changes that consist of the following:

i. Full ownership change, that is, where there is a complete transfer of facility ownership to new owner(s);

ii. Operator change, except as specifically placed under the Director's jurisdiction in Section 25B-8(1)(a)(i, ii, or iv);

iii. Change of managing partner of an owner or any partner of an operator.

b) Prior to approval of an application for change of owner, the Planning Commission shall make all findings required by Section 25B-10(1) and shall take all actions necessary under Section 25B-10(3). Prior to approval of an application for change of operator, the Planning Commission shall make all findings required by Section 25B-10(2) and shall take all actions necessary under Section 25B-10(3).

c) A public hearing shall be required for applications approved or denied by the Planning Commission. Notice shall be given at least ten (10) days prior to the date of the hearing, as provided in Santa Barbara County Code, Chapter 35, Article II, Section 35-181.2 or Article III, Section 35-326.2, as appropriate.

(3) Combined Applications.

Applications that include a component under the Director's jurisdiction and another component under the Planning Commission's jurisdiction may, at the discretion of the Director, be processed with a combined application and decided by the Planning Commission. In such cases the findings required for approval of the component that falls under the Director's jurisdiction shall be those listed for a Director's Amendment (§25B-9(1), (2), or (4), as appropriate).

(4) Application Completeness

a) An application shall be deemed accepted unless the Director finds the application incomplete and notifies the applicant of incompleteness by mail within thirty calendar days of receipt of the application. Notice shall be deemed given when mailed.

b) The applicant shall provide any additional information required by the Director in an incompleteness letter within thirty calendar days of issuance of the letter.

Sec. 25B-9. Director Approval: findings.

(1) The Director shall approve an application to transfer a permit pursuant to Section 25B-8(1)(a)(i, ii, or vi) only if the Director makes the following findings:

a) Fees and Exactions. All outstanding County required fees and exactions due for the facility have been paid.

b) Financial Guarantees. The proposed owner, operator, or other guarantor has provided all necessary instruments or methods of financial responsibility approved by the County and necessary to comply with the permit and any County ordinance.

c) Abandonment. The proposed owner, operator, or other guarantor has demonstrated the financial capability through financial guarantees to comply with all federal, state and local law and permits regarding abandonment of the facility and remediation of contamination.

d) Acceptance of Permit. The proposed owner or operator has provided a letter from a responsible official representing the proposed owner or operator formally accepting all conditions and requirements of the permit.

(2) The Director shall approve an application to transfer a permit pursuant to Section 25B-8(1)(a)(iii) for a change of guarantor only if the Director makes the following findings:

a) Financial Guarantees. The proposed guarantor has provided all necessary instruments or methods of financial responsibility approved by the County and necessary to comply with the permit and any County ordinance.

b) Abandonment. Where applicable, the proposed guarantor has demonstrated the financial capability through financial guarantees to comply with all requirements of federal, state and local law and permits regarding abandonment of the facility and remediation of contamination.

(3) The Director may approve a qualified temporary operator pursuant to Section 25B-8(1)(a)(iv) where the owner demonstrates to the satisfaction of the Director that good cause

exists for an immediate change of operator. The temporary operator may operate the facility for a period of no longer than 6 months. In order to approve a temporary operator, the Director must make the following findings:

a) Financial Guarantees. The proposed temporary operator has provided all necessary instruments or methods of financial responsibility approved by the County and necessary to comply with the permit and any County ordinance.

b) Acceptance of Permit. The proposed temporary operator has provided a letter from a responsible official representing the proposed temporary operator formally accepting all conditions and requirements of the permit.

c) Operator Capability. The proposed temporary operator has the skills and training necessary to operate the permitted facility in compliance with all applicable law and has a good working knowledge of the crucial compliance plans listed in Section 25B-10(2)(g).

(4) The Director shall approve an application to transfer a permit pursuant to Section 25B-8(1)(a)(v) for a change of non-managing partner or non-operator under a joint operating agreement, where such person is not a guarantor, upon submission of a complete application and payment of any required application fees. ~~only if the Director makes the following finding~~:

a) ~~Acceptance of Permit. The proposed owner has provided a letter from a responsible official representing the proposed owner formally accepting all conditions and requirements of the permit.~~

(5) Upon making the findings listed in Section 25B-9(1), (2), (3), or (4), the Director shall approve the change of owner, operator, or guarantor, or approve the temporary operator. The Director may impose additional conditions on the permit, except for applications approved under Section 25B-9(4), in order to ensure that the new owner, operator, temporary operator, or other guarantor maintains any insurance or other financial guarantees that were submitted to and relied on by the Director as a basis to make any finding required by this Chapter. ~~adequate financial guarantees for operations and abandonment.~~

Sec. 25B-10. Planning Commission Approval: findings.

(1) The Planning Commission shall approve an application for a change of owner only if the Planning Commission makes the following findings:

a) Fees and Exactions. All outstanding County required fees and exactions due for the facility have been paid.

b) Financial Guarantees. The proposed owner or other guarantor has provided all necessary insurance, bonds and other instruments or methods of financial responsibility approved by the County and necessary to comply with the permit and any County ordinance.

c) Abandonment. The proposed owner or other guarantor has demonstrated the financial capability through financial guarantees to comply with all federal, state and local law and permits regarding abandonment of the facility and remediation of contamination.

d) Acceptance of Permit. The proposed owner has provided a letter from a responsible official representing the proposed owner formally accepting all conditions and requirements of the permit. If the proposed owner is a partnership, all partners have provided such letters, or the managing partner has provided a letter on behalf of all partners and has agreed to resubmit such letter should any partners change in the future.

e) Facility Safety Audit. The County has completed a comprehensive safety audit for the physical facility within 3 years prior to submission of a complete application, and the current owner or operator has provided a copy of this audit, along with a description of the status of implementing its recommendations, to the proposed owner(s). A Safety Inspection Maintenance and Quality Assurance Program (SIMQAP) audit approved by the appropriate County official shall satisfy this requirement. This finding shall be waived if the application is for the current operator of a facility to become an owner.

f) Compliance With Existing Requirements. The current owner(s) are in compliance with all requirements of the permit, including any requirement of a County required safety audit, any Notice of Violation, and any County ordinance, or the current and proposed owner(s) have entered into a written agreement with the Director that specifies an enforceable schedule to come into compliance with such requirements.

g) Compliance Plans. The new owner or operator has updated any existing, approved Safety Inspection Maintenance and Quality Assurance Program, Emergency Response Plan, Fire Protection Plan, and Oil Spill Contingency Plan, or equivalent approved plans, with current emergency contact information pertaining to the new owner. If any of these plans did not previously exist or was not approved, the new owner or operator has prepared an acceptable plan and it has been approved by the appropriate County official. The new

owner and operator have agreed in writing to revise all plans required by the permit or any County ordinance, as necessary to reflect the change of owner, and to do so with sufficient diligence to obtain approval of the revised plans by the appropriate County official within six months after assuming ownership.

(2) The Planning Commission shall approve an application for change of operator only if the Planning Commission makes the following findings:

a) Fees and Exactions. All outstanding County required fees and exactions due for the facility have been paid.

b) Financial Guarantees. The current owner, proposed operator, or other guarantor has provided all necessary insurance, bonds and other instruments or methods of financial responsibility approved by the County and necessary to comply with the permit and any County ordinance.

c) Abandonment. The proposed operator or other guarantor has demonstrated the financial capability through financial guarantees to comply with all federal, state and local law and permits regarding abandonment of the facility and remediation of contamination.

d) Acceptance of Permit. The proposed operator has provided a letter from a responsible official representing the proposed operator formally accepting all conditions and requirements of the permit. If the proposed operator is a partnership, all partners have provided such letters.

e) Facility Safety Audit. The County has completed a comprehensive safety audit for the physical facility within 3 years prior to submission of a complete application, and the current owner or operator has provided a copy of that audit, along with a description of the status of implementing its recommendations, to the proposed operator. A Safety Inspection Maintenance and Quality Assurance Plan (SIMQAP) audit approved by the appropriate County official shall satisfy this requirement. This finding shall be waived if a current owner of a facility becomes the operator.

f) Compliance With Existing Requirements. The current operator is in compliance with all requirements of the permit, including any requirements of a required safety audit, any Notice of Violation, and any County ordinance, or the owner and proposed operator have entered into a written agreement with the Director that specifies an enforceable schedule to come into compliance with such requirements.

g) Compliance Plans. The current owner and proposed operator have updated any existing, approved Safety Inspection Maintenance and Quality Assurance Program, Emergency Response Plan, Fire Protection Plan, and Oil Spill Contingency Plan, or equivalent approved plans, with current emergency contact information pertaining to the new operator. If any of these plans did not previously exist or was not approved, the current owner and proposed operator have prepared an acceptable plan and it has been approved by the appropriate County official. The current owner and proposed operator have agreed in writing to revise all plans required by the permit or any County ordinance, as necessary to reflect the change of operator, and to do so with sufficient diligence to obtain approval of the revised plans by the appropriate County official within six months after assuming operations.

h) Transitional Plan. The current owner or operator and proposed operator have submitted a transitional plan that will ensure the proposed operator shall receive adequate training, including by means of cross training by the current operator, where feasible, and shall have a good working knowledge of the crucial compliance plans listed in Section 25B-10(2)(g) before assuming control of operations. The plan has been approved by the Director. The Planning Commission may exempt the current owner and proposed operator from this requirement, or portions thereof, for good cause.

i) Emergency Response Plan Drills. The proposed operator has adequately performed one or more County approved emergency response plan drills necessary to respond to emergency episodes that may occur at the facility.

j) Operation Record. The owner and proposed operator have submitted a list of any other facilities the proposed operator owns or operates, and have submitted the proposed operator's accident and compliance records for the last 7 years for operating facilities, if any, that are similar in nature to the facility subject to the permit. The records demonstrate the proposed operator has the skills and training necessary to operate the permitted facility in compliance with all applicable law. The accident and compliance records shall be obtained from the agencies listed in Appendix A. If the proposed operator is a new company or lacks a seven year operational record, the operator has demonstrated to the County that the key personnel have sufficient experience and expertise to operate the facility safely.

(3) Upon making the findings listed in Section 25B-10(1) or (2), the Planning Commission shall approve the change of owner or operator. The Planning Commission may impose additional conditions on the permit in order to ensure that the new owner, operator, or other guarantor maintains any insurance or other financial guarantees that were submitted to and relied on by the Planning Commission as a basis to make any finding required by this Chapter. ~~adequate financial guarantees for operations and abandonment.~~

Sec. 25B-11 . Administration and Fees.

The Director shall administer the procedures established by this chapter. Any applicant shall be assessed fees in an amount necessary to recover costs incurred by the County for processing applications for change of owner, operator, or guarantor required by this chapter. No application to change owner, operator, or guarantor shall be processed unless the applicant has entered into an Agreement for Payment of Processing Fees with the County and has provided the required deposit to cover a portion of the case processing fees.

Sec. 25B-12. Appeals.

(1) Appeals to the Planning Commission.

a) The decision of the Director to approve or deny an application may be appealed to the Planning Commission by the applicant or any interested person adversely affected by such decision. The appeal, which shall be in writing, and accompanying fee shall be filed with the Planning and Development Department within ten (10) calendar days following the date of the Director's decision.

b) The appellant shall state specifically in the appeal how 1) the Director's decision is inconsistent with the provisions or purposes of this Chapter or 2) there was an error or abuse of discretion by the Director.

c) Prior to the appeal hearing, the Planning and Development Department shall transmit to the Planning Commission copies of the application, including all attachments and related materials, and a statement setting forth the reasons for the Director's decision.

d) The Planning Commission hearing shall be *de novo* and the Commission shall affirm, reverse, or modify the Director's decision at a public hearing. Notice of the time and place of the hearing shall be given in accordance with Santa Barbara County Code, Section 35-

326.2 (Noticing) or Section 35-181.2, as appropriate. Notice shall also be mailed to the appellant.

(2) Appeals to the Board Of Supervisors.

a) The decision of the Planning Commission to approve or deny an application may be appealed to the Board of Supervisors by the applicant or any interested person adversely affected by such decision. The appeal, which shall be in writing, and accompanying fee shall be filed with the Clerk of the Board of Supervisors within ten (10) calendar days following the date of the Planning Commission's decision.

b) The appellant shall state specifically in the appeal how 1) the Planning Commission's decision is inconsistent with the provisions or purposes of this Chapter or 2) there was an error or abuse of discretion by the Planning Commission.

c) Prior to the appeal hearing, the Clerk of the Board of Supervisors shall notify the Planning Commission that an appeal has been filed. The Planning Commission shall then transmit to the Board of Supervisors copies of the application, including all attachments and related materials, and a statement of findings setting forth the reasons for the Planning Commission's decision.

d) The Board of Supervisors hearing shall be *de novo* and the Board shall affirm, reverse, or modify the Planning Commission's decision at a public hearing. Notice of the time and place of the hearing shall be given in accordance with Santa Barbara County Code, Section 35-326.2 (Noticing) or Section 35-181.2, as appropriate. Notice shall also be mailed to the appellant.

Sec. 25B-13. Enforcement

(1) Civil Penalties. Any owner, operator, guarantor, or permittee who fails to comply with the provisions of this chapter is subject to a civil penalty not to exceed twenty-five thousand dollars per day of operation.

(2) Criminal Penalties. Any person, whether as principal, agent, employee or otherwise, violating any provisions of this chapter shall be guilty of an infraction, and upon conviction thereof, shall be punishable by a fine not exceeding five hundred dollars for each violation. An offense that would otherwise be an infraction may, at the discretion of the district attorney, be filed as a misdemeanor. Upon conviction of a misdemeanor, punishment shall be

a fine of not less than five hundred dollars nor more than twenty-five thousand dollars or imprisonment in the county jail for a period not to exceed six months or by both such fine and imprisonment. Each and every day during any portion of which any violation of this chapter is committed, continued or permitted by such person shall be deemed a separate and distinct offense.

(3) Injunction. Whenever, in the judgment of the Director, any person has engaged in, is engaged in, or is about to engage in any act(s) or practice(s) which constitute or will constitute a violation of the provisions of this chapter of the Santa Barbara County Code, or any rule, regulation, requirement, or other order issued, promulgated, or executed thereunder, the district attorney or county counsel may make application to the Superior Court for an order enjoining such acts or practices, or for an order directing compliance, and upon a showing that such person has engaged in or is about to engage in any such acts or practices, a permanent or temporary injunction, restraining order, or other order may be granted. In any civil action brought pursuant to this chapter in which a temporary restraining order, preliminary injunction, or permanent injunction is sought, it shall not be necessary to allege or prove at any stage of the proceeding that irreparable damage will occur should the temporary restraining order, preliminary injunction, or permanent injunction not be issued; or that the legal remedies are inadequate.

(4) Cumulative Remedies and Penalties. The remedies or penalties provided by this chapter are cumulative to each other and to the remedies or penalties available under all other laws of this state.

Sec. 25B-14. Severability.

If any provision of this chapter is determined to be invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

Appendix A. Source Agencies for Operator Accident and Compliance Records.

Accident and compliance records shall be obtained from the following agencies, as applicable:

Federal Agencies

Environmental Protection Agency
D.O.T. Office of Pipeline Safety
Occupational Safety and Health

Minerals Management Service
Coast Guard
Army Corps of Engineers

California Agencies

State Fire Marshall
Cal OSHA
State Lands Commission
Division of Oil, Gas, & Geothermal Resources
Dept. of Fish and Game Office of Spill Prevention and Response
California Coastal Commission
Air Resources Board
Office of Environmental Health Hazard Assessment
Department of Toxic Substances Control
State Water Resources Control Board

Agencies in Other States

If the facilities for which the records are obtained are located outside California, records shall be obtained from agencies that serve similar functions to the above agencies, where possible.

Regional and Local Agencies

Fire Department
Water quality monitoring agency
Air quality monitoring agency
Agencies responsible for enforcing land use and zoning regulations
Agencies responsible for enforcing safety regulations
Agencies responsible for oversight of hazardous or toxic materials
Agencies responsible for monitoring environmental pollution or contamination

EXHIBIT 14

CHAIR CAPPS: Okay, on to Departmental Item #3, and I'll just note that we are ahead of the expected schedule. We have a long one ahead of us. I think we're going to still go till 11:00 for the interpreter as well. Okay we're going to move on to Departmental Item #3 which is the Sable appeal. Madam Clerk.

CLERK: Chair Capps and members of the Board, Departmental Item #3 is from the Planning and Development Department. It is a hearing to consider recommendations regarding the appeals of the Planning Commission approval of the Sable Offshore Corporation's change of owner, operator, and guarantor for the Santa Ynez Unit, SYU, Pacific Offshore Pipeline Company, POPCO, gas plant, and Las Flores pipeline system final development plan FDP permits. This is in the first third and fourth districts.

CHAIR CAPPS: Okay, Director Plowman.

DIRECTOR PLOWMAN: Yes, Madam Chair, members of the Board, as Ms. Alexander indicated, we are returning to the Board. We were last here in February, and the Board will be reconsidering the appeal of the Planning Commission's approval of the transfer of the owner, operator, and guarantor from Exxon to Sable. Today I have Errin Briggs, Deputy Director of our Energy, Minerals, Compliance and Enforcement team, and he will be making the presentation.

CHAIR CAPPS: Supervisor Hartmann.

SUPERVISOR HARTMANN: Madam Chair, before that would you like our ex parte and…

CHAIR CAPPS: Sure we can do that beforehand, good call. Ex parte please. So why don't we start with you Supervisor Hartmann.

SUPERVISOR HARTMANN: Sure. On October 27th I met with UCSB Student Organization Environmental Affairs Board where they shared their concerns about the pipeline given its age and prior history. I have regular monthly meetings with EDC. The topic of Sable has come up with regard to the permit transfer in only two meetings, specifically focused on the letter that they were going to write. I met with them on 10/23 for one hour and there they talked about the structure of the letter that they plan to submit. I met with them again for a half-hour meeting on November 3rd where they asked if I had any questions about the letter they had submitted, and I did have some questions about financial liability in the event of a spill or decommissioning. Neither Sable nor the Center for Biological Diversity reached out for a meeting. And I also did some personal research on state and federal funds for spills and decommissioning because I did not find much in our record yet on the Federal Oil Pollution Act’s Liability Trust Fund and the Oil Spill Response Trust Fund. In addition, Sable has submitted a letter requesting that I recuse from this matter based on two issues. One is conflict of interest. The FPPC has concluded that I don't have a disqualifying financial interest in this particular decision. The facts surrounding my property interest remain unchanged from the FPPC's June advice letter. Regarding bias, I believe that Sable's letter has taken

remarks out of context. I can and will base my decision solely on the evidence in the record and the applicable standards under Chapter 25B. My past policy positions do not prevent me from fairly evaluating whether the applicant meets the legal requirements under 25B.

CHAIR CAPPS: Thank you Supervisor Hartmann. Supervisor Lee?

SUPERVISOR LEE: I have met with EDC on a monthly basis on multiple times as well as Sable and Exxon Mobil representatives multiple times. That's my ex parte.

CHAIR CAPPS: Okay. Supervisor Nelson.

SUPERVISOR NELSON: Yes, thank you, Chair Capps. I've met a couple times with Steve Gregg from Exxon on March 27th as well as a phone call yesterday on 10/4, and also my past disclosed ex partes from the last hearing would go as well. I also met on 8/25 with Caldwell Flores as well as Lee Danielson about the project. Thank you.

CHAIR CAPPS: And Supervisor Lavagnino?

SUPERVISOR LAVAGNINO: Thank you. I also met with Caldwell Flores on 8/25, and Lee Danielson, Director of Governmental Affairs. Caldwell is President of Sable Offshore. Also, I'm taking into consideration articles that I've read that are public.

[00:05:00]

The one discussing October 3rd, I know, was the Attorney General Bonta's lawsuit. Also articles about California Coastal Commission vs. Sable. Also read the letter of the State Fire Marshal detailing deficiencies. And also, just recently, another article that came out October 31st, the Hunterbrook article. So those are all in the kind of public record that I read before the hearing.

CHAIR CAPPS: Thank you. And I'll add my ex parte as well. I also do meet regularly with the Environmental Defense Center, most recently with Tara Rengifo and Linda Kropp. I also met recently with UCSB's Environmental Affairs Board, Vivian Chiang Kai and Izzy Szyszek. I did not hear from the applicant, Sable. I also did not hear from the Center for Biological Diversity. And in reference to the request that I recuse myself, I join Supervisor Hartmann in making a statement. There is no question that I believe fervently that we have a climate crisis on our hands. There's no question that I'm a lifelong environmentalist, but today's hearing is not about that. It is also not about us being a rubber stamp. It is about us looking at the facts and the evidence and making a determination. That is what I did on February 25th. And that is what I will do again today. Thank you. Okay. Ex partes over. Madam Clerk?

CLERK: Chair Capps and members of the Board, yes, my apologies. Before we proceed to staff's presentation, I do have a number of public comment that was received after noon on Friday, October 31st that will need to be voted into the record to be included as a

part of the record. And I can go through those now. The first public comment letter is from Paasha Mahdavi, received October 31st at 1:59. A letter from Noah Boland, Heal the Ocean, October 31st at 2:43. A letter from Helen Johnson, November 2nd, 9:47. We received 386 public comment letters from Civic Hub on October 31st between the hours of 1:18 and 1:37. A letter from Nicholas Sebastian on November 3rd at 10:11. A letter from Lawrence Severance, November 3rd, 12:12. A letter from Katie Davis on November 3rd at 12:40. Letter from Alina [PH 00:07:28] Niregotis on November 3rd, at 3:35. A letter from Gregory Sater, November 3rd, 4:29. A letter from Kalina Sapp on November 3rd at 5 p.m. and at 5:27 p.m. And lastly, a letter from Kristy Lynn on November 3rd at 11:38. So again, if the Board would like to include those as a part of the record, they would need to be voted in by the Board.

CHAIR CAPPS: Supervisor Hartmann?

SUPERVISOR HARTMANN: I move that we accept those items as the clerk read them into the record.

SUPERVISOR LAVAGNINO: I'll second.

CHAIR CAPPS: Okay.

SUPERVISOR NELSON: And I have a comment.

CHAIR CAPPS: Supervisor Nelson?

SUPERVISOR NELSON: Yeah. I think we've talked about in the past that some of these, you know, if we receive them in the record, we need to be able to review them. It's a lot for us to review. I'm not going to be able to review them all, so I'm going to vote no on this. I don't want to include it in the record. It's really important for us to be able to make good decisions, to have that information as we do a lot of prep for these meetings. And so I'm not going to move this forward. I know that we've been trying to kind of find that time to make that hard stop here. Maybe this is not for some of my colleagues, but it is for me. So I'm not going to vote to add those into the record. Thank you.

CHAIR CAPPS: Yeah. I appreciate that. I normally, uh, I agree with you. Usually it's about the actual presentations and materials from the applicants or the Appellants, but public comment… Anyway, I'm happy to support at this time. So we'll do a roll call vote.

CLERK: Supervisor Lee?

SUPERVISOR LEE: Aye.

CLERK: Supervisor Lavagnino?

SUPERVISOR LAVAGNINO: Aye.

CLERK: Supervisor Hartmann?

SUPERVISOR HARTMANN: Aye.

CLERK: Supervisor Nelson?

SUPERVISOR NELSON: No.

CLERK: And Chair Capps?

CHAIR CAPPS: Aye.

CLERK: Motion passes 4-1.

CHAIR CAPPS: Okay. Now we will move to staff presentation. Mr. Briggs?

ERRIN BRIGGS: Good morning, Supervisors and members of the public. Today the Board is considering two appeals of the Planning Commission's approval to transfer County permits from ExxonMobil to Sable Offshore Corporation for a change of owner, operator, and guarantor of the Santa Ynez Unit, the POPCO gas plant, and the Las Flores pipeline system. Because of the nature of these appeals, we have multiple parties involved on both sides, and I'd like to quickly introduce who will be leading each of the teams. The applicant team includes both Sable Offshore Corporation, represented by Steve Rusch, and also ExxonMobil, represented by Lauren Kaplan. And the Appellants consist of two groups. First, the Center for Biological Diversity, together with the Wishtoyo Foundation, to be represented by Rachel Matthews. And secondly, the Environmental Defense Center, together with Get Oil Out! and the Santa Barbara County Action Network, represented by Linda Kropp and Tara Rengifo.

[00:10:10]

The applicant's request is to transfer the County permits, or final development plan permits for, number one, a change of owner, operator, and guarantor of the Santa Ynez Unit permit from ExxonMobil to Sable; two, a change of operator and guarantor of the POPCO gas plant permit from ExxonMobil to Sable; and three, a change of operator of the Las Flores Pipeline Systems permit from ExxonMobil Pipeline Company and a change of guarantor from ExxonMobil to Sable. Under these requests, POPCO remains the legal owner of the gas plant, and Pacific Pipeline Company remains the legal owner of the Las Flores Pipeline System. Important to note, these requests are to transfer the County permits for the individual assets and not the underlying transfer of the assets themselves. Also, the transfers do not include authorization for restart of the facilities or any work or continued operations at the facilities. This slide shows the facility's locations. On the left are the Santa Ynez Unit facilities outlined in white, which are located along the Gaviota Coast between El Capitan and Refugio. The POPCO gas plant is a small portion of that area located in the middle of the canyon. On the right is a map showing the alignment of the Las Flores Pipeline System as it stretches 122 linear miles from Las

Flores Canyon and eventually ending at the Pentland Delivery point in Kern County. A bit of background on the facilities and the permit transfers. The Santa Ynez Unit Facility and POPCO gas plant treat oil and gas produced from offshore platforms Hondo, Harmony, and Heritage. Under normal circumstances, oil is transported for sale via the Common Carrier Las Flores Pipeline System, formerly known as the Plains Pipeline, from the canyon to Kern County. A pipeline spill in 2015 under Plains All-American caused the pipelines and facilities to shut in, however, activities still occur to maintain facility integrity. Pacific Pipeline Company, an ExxonMobil subsidiary, acquired the system from Plains in 2022 and the Board approved a permit transfer in 2023. Sable acquired the SYU, POPCO, and Pacific Pipeline Company in February of '24 and submitted applications to transfer the assets in March of that year. The original decision maker for the requested transfers was the Planning Commission who approved them on October 30th of last year. Following the approval, appeals were filed by both the EDC and the CBD. The appeals were initially considered by your Board earlier this year on February 25th, where the Board voted 2-2, thereby resulting in no action. Sable and ExxonMobil subsequently filed suit in Federal District Court. On September 12th, the court issued an order directing the Board to hold a de novo public hearing to affirm, deny, or modify the Planning Commission's decision in compliance with County Code Chapter 25B within 60 days. The 60-day deadline for the Board action is November 11th. If the Board is unable to reach a vote that affirms, reverses, or modifies the Planning Commission's decision within this time period, the order directs the Board to hold another de novo public hearing within 45 days and so on. A majority vote is required to meet the requirements of the judge's order. For code consistency, this table outlines the requirements of Chapter 25B for each of the owner, guarantor, and operator. Chapter 25B is limited to nine findings for the three changes which are summarized in the left-hand column. The February 25th hearing materials and complete record for this request were included in this item's set hearing letter. Attachment A of the Board letter includes the findings for approval adopted by the Planning Commission. The Appellant's appeal issues were previously presented in detail during the February hearing earlier this year and fully analyzed in the February 25th Board letter. Staff is not going to walk through each of the 13 appeal issues in detail again today, but rather provide a brief overview. The salient appeal issues relate to adequacy of the financial guarantees and questions about Sable's financial responsibility, concerns about Sable's ability to safely manage and operate the facilities, spill prevention and response, and state and federal agency compliance issues which have continued since the February hearing.

[00:15:00]

Again, staff's responses to these issues were detailed in the February 25th materials and presentation. While new facts have emerged since the February hearing, staff continues to recommend that the findings for approval be made. In conclusion, staff recommends that the Board of Supervisors, one, deny the appeals, two, make the findings for approval, three, determine the requests are not a project pursuant to CEQA, and four, grant de novo approval of the permit transfers subject to the conditions of approval. And this completes our presentation. We're available for questions.

CHAIR CAPPS: Thank you to our planning development team. Questions for staff at this point? Supervisor Hartmann?

SUPERVISOR HARTMANN: Yeah. What kind of financial assurance do we have or do you believe we can require in the event of a spill?

ERRIN BRIGGS: Madam Chair and Supervisor Hartmann, so the financial assurances that we can require are limited by the project's conditions of approval. And we have two facilities essentially that could result in a spill. That would be the SYU, the onshore facility, and the pipelines that come ashore from the offshore platforms are in state and federal waters. We have a Certificate of Financial Responsibility through OSPR for $100 million, and that is the maximum amount allowed and required by OSPR. And then separately for the onshore pipeline, we also have Certificates of Financial Responsibility and the dollar amount escapes me at this time. But essentially what we can require is limited by each project's conditions of approval. And then beyond that, Sable has their own insurance that goes well above and beyond what's required by OSPR in their Certificates of Financial Responsibility.

SUPERVISOR HARTMANN: So how do you read Section 25B or how do you interpret that, that we're allowed to ask for information needed to make financial guarantees finding or any other information that we may need to approve a change in owner operator or guarantor in accordance with the chapter? Or the requirement again that the operator has the resources necessary to operate the permitted facility? I mean, that's what Chapter 25B says and that's what I interpret my job up here is to determine whether we have the information to make that finding. And all we have is very little to go on.

ERRIN BRIGGS: I don't have a great answer for that.

COUNTY COUNSEL: Supervisor Hartmann through the Chair. That is certainly, um, it's the Board's discretion at this point. The staff reviewed the information that was provided and then there's been additional supplemental insurance that's been provided and had concluded that it satisfied the requirements of Chapter 25B. It's the Board's discretion to make a different decision on that compliance.

SUPERVISOR HARTMANN: So I guess I'll put it out there right now. I have a lot of questions about that and information that the record doesn't really respond to. Does the permit require that the owner/operator have financial responsibility to clean up a spill? Does Sable’s insurance, what kind of policy is it? Is it an occurrence-based pollution liability insurance? And would it still pay out if Sable was later bankrupt or dissolved? What are the policy limits timeframe per incident and in the aggregate? What if there's negligence or even gross negligence involved if the permits haven't been complied with? Does the policy still cover damage? I mean, I've got a whole list of questions, but those are the kinds of things that I think we have a right to understand.

COUNTY COUNSEL: Supervisor Hartmann through the Chair, some of those questions I think are best posed to Sable.

SUPERVISOR HARTMANN: Yes, and I'm getting them out there because I know we're going to hear and I don't want to play hide the ball. I'm just saying these are some of my concerns.

COUNTY COUNSEL: It's my understanding that they have offered to have their insurance broker meet with the County. They have not provided us with the actual policy, but questions can be asked and be answered by Sable.

SUPERVISOR HARTMANN: Okay. Well, again, I'll leave it at that. I have more, but that's kind of my line of questioning.

[00:20:05]

CHAIR CAPPS: Thank you, Supervisor Hartman. I had one question for staff and actually for County Counsel. I just wanted to, before we really dive in here, to just understand the scope of time period, because this is quite unusual to be doing a redo, deja vu here. The judge, as everyone hopefully understands, has ordered that we redo this vote from February 25th. And so I just want to understand timeframe. A lot has happened since February 25th. A lot has happened since over a year ago when the Planning Commission voted the way they did and a lot has happened since staff has deemed, made the recommendation that the application was complete. And so my question, well, I also want to note that the judge in her ruling said that, quote, "The Board has the authority to conduct a de novo fact finding and is not just, quote, 'giving a thumbs up or down.'" So I just want to, as before we dive in, understand the timeframe. Are we looking at all of the facts up until November 4th or are we looking up until what point so that we do our jobs up here adequately, County Counsel? Thank you.

COUNTY COUNSEL: Thank you, Madam Chair and members of the Board. So your question, can the Board consider records or activities that postdate the application? The answer to that is yes. There are some findings that on compliance with existing permits that require the Board to only consider compliance as the date of the application was deemed complete, but the other findings, including many of the other findings, do not include that limitation. So yes, for many of the findings, you can consider information all the way up until today's hearing.

CHAIR CAPPS: So we're looking at compliance up to date, all of the things that have happened to date. Thank you. Okay. That's my question for staff. Any other questions for staff? So as indicated, we are going to take a break at 11 o'clock. I think it's a good time to do so before we move into the next portion of the hearing. So we will take a 15-minute break at this point and convene back at 10 after 11. *[Break]*

[00:22:40]

CHAIR CAPPS: Okay. Thanks, everybody. We will now move to the Appellant presentation. But first, our clerk has a couple announcements.

CLERK: Thank you, Chair Capps and members of the Board. Yes, I did just want to note for members of the public who would like to speak on this item today, Departmental Item #3 regarding the appeal of the Sable Offshore Corporation's change of owner, that if you haven't already submitted your speaker slip to the clerk here in the Santa Barbara hearing room or the Planning Commission hearing room or on Zoom online, to please do so now, we will be closing public comment after the Appellant's presentation. So in about the next 20 minutes, we will be closing public comment. So if you have not gotten your request to speak in yet, please do so now. Additionally, I did just want to remind the public that each speaker will be speaking for a minute and a half or allotted that amount of time. And for our 1 o'clock break, we did receive a request for it to be a little bit longer. So we're going to be taking a 30-minute recess at 1 o'clock for lunch. And that concludes my announcements.

CHAIR CAPPS: Okay. Good things. Okay. So now we move, like I said, to the Appellant presentation, which will be 20 minutes.

TARA RENGIFO: And I'll just wait for my slideshow to come on. Great.

CHAIR CAPPS: And since I didn't pronounce your name very well, could you please introduce yourself, Tara?

TARA RENGIFO: Yes. Tara Rengifo.

CHAIR CAPPS: Thank you.

TARA RENGIFO: Tara Rengifo with the Environmental Defense Center.

MALE: Madam Chair. There's a button on the side. If you could just lift it up so I can hear you a little bit.

CHAIR CAPPS: Yeah. There you go.

MALE: Awesome.

TARA RENGIFO: How's this?

CHAIR CAPPS: Wonderful.

TARA RENGIFO: Is that better?

CHAIR CAPPS: Yeah. That's great. We can hear you loud and clear.

TARA RENGIFO: Okay. All right. Well, good morning, Chair Capps and supervisors. My name is Tara Rengifo. I'm a senior attorney with the Environmental Defense Center. And with me today is Linda Kropp, our chief counsel. We are here today on behalf of EDC, GOO!, SBCAN, Santa Barbara Channelkeeper, and our local chapter of the Sierra Club. It has been nearly nine months since this Board last evaluated whether to give Sable the green light to control the SYU, POPCO Gas Plant, and the Las Flores Pipeline System.

[00:25:00]

Today's hearing is about Sable. What have they been up to? As you'll learn today, this company has created its own minefield of litigation, fines, notices of violation, and even criminal charges in a matter of months. Their reps may come up here next and say, "So what? Give us the permits." But 25B does not allow that. There are several findings that this Board must make and to approve a permit transfer under 25B. My presentation will focus on three of those findings and why each lacks evidentiary support in the record. First, Sable is not capable of safely and responsibly operating these facilities. Second, there are existing permit compliance issues with respect to the pipeline in particular. Third, Sable clearly does not have the financial wherewithal and resources to respond to a disaster. As I and the center will explain, Sable's disregard for our community, our natural resources, our laws, must be met with a resounding no vote today. Briefly, it is important that the Board is aware of how much information is missing from the Board letter, and this is not a comment on staff. This is purely because substantial evidence must support the findings. So this is what this slide shows, and I will call out a few of those. So the Board letter states that Sable has completed all necessary repairs. That's not true. On October 22nd, the Fire Marshal issued Sable a deficiency notice for incomplete work, informing Sable that the incomplete repairs prevent restart of the pipelines. They also left out that on October 15th, Judge Anderle denied Sable's writ, confirming that Coastal Commission has the authority to require a new CDP for the repairs. And taken together, this shows that Sable cannot legally perform additional repair work because the Coastal Commission injunction is still in place. The Board letter doesn't even mention violations that have occurred during Sable's recent operations, as documented by the County and APCD. You can't just skirt bad facts by omitting them. And finally, the Board letter doesn't even mention that Sable has been criminally charged. If this Board is supposed to decide whether Sable can safely and lawfully operate, how could that not include the fact that they're facing a felony complaint?

Turning to 25B, this ordinance prohibits the transfer of County permits unless a permittee complies with the 25B requirements. There is a lot of misinformation about what 25B does and the scope of the Board's authority in making its decision. Fortunately, these exact questions have been front and center in a recent lawsuit and were answered in the judge's ruling. The Honorable Dolly M. Gee recognized that one codified purpose of 25B is to safeguard the natural resources and environment of the County of Santa Barbara. Given its purpose, Judge Gee declared, "25B does not merely provide for the transfer of FTPs. It creates an administrative process designed to bar the transfer of FTPs to a transferee that would place the environment at risk." This is a de novo hearing, meaning

what qualifies as "safe operation" and "adequate financial responsibility" is for this Board to decide anew and pursuant to its discretion. A federal court agrees with us on this. In a September 12th order, Judge Gee made clear, "Chapter 25B gives the Board discretion to evaluate the evidence, seek more information if needed, and decide whether the findings support a permit transfer." Sable spin doesn't even merit debate when a federal judge has already confirmed exactly how much authority the Board has. So let's dig into this first finding. 25B requires a showing that Sable is capable of safely and responsibly operating the facilities. No reasonable person would reach this conclusion. Before diving into the evidence, I want to make sure we have a shared understanding of this finding. County Counsel has clearly stated that the Board has broad discretion to consider all relevant evidence of operator capability. County Counsel affirmatively rejected Sable's narrow construction of this finding as contrary to the plain language of the ordinance. Sable is embroiled in an extraordinary amount of civil and criminal litigation. These cases, and the administrative processes that led up to them, show that this company lacks the skills to operate safely and in compliance with the law as required by 25B. On September 16th, RDA filed criminal charges against Sable for environmental violations, including five felony violations.

[00:30:00]

Sable only acquired these facilities from Exxon last year. It doesn't even have all of its approvals to begin operating. But our own DA has gathered enough evidence of Sable's alleged indifference to the law and disregard for our County's natural resources to bring criminal charges against this company. On October 3rd, the AG brought a lawsuit against Sable on behalf of the Regional Water Board for civil liabilities and injunctive relief. Several allegations by the AG in the complaint provide evidence of Sable's inability to operate safely and responsibly. For example, the AG accused Sable of making statements that were patently false, deliberately avoiding its obligation to obtain waste discharge requirements before commencing work, evading regulation, and not acting as a responsible operator would. Notably, our AG found Sable's management to be misinformed, incompetent, and incorrect at best. Why should our County think Sable would be any differently here? This case arose after Sable repeatedly ignored cease and desist orders and continued unpermitted work in sensitive coastal habitats, prompting the commission to impose an $18 million penalty. On October 15th, a Superior Court judge fully upheld the Commission's actions, a big loss for Sable. This is clear evidence of a company that refuses to follow the law. I mention the securities fraud lawsuit mainly because it relates to the State Land Commission Chair's very public reprimanding of Sable, which is also missing from the Board letter. In that letter, the Chair denounced Sable's May 19th press release, announcing that it had restarted operations at the SYU, because it had not. Most relevant to these proceedings, the Chair said Sable's actions raised serious questions about its willingness to be a responsible operator and a transparent operator. She also found Sable to have a willful disregard for the directives of regulatory agencies.

You just heard in the words of the District Attorney, the State Attorney General, a Superior Court judge, and the State Lands Commission Chair the reasons why Sable has

not demonstrated it can operate responsibly or lawfully. This slide summarizes several recent notices of violations, leaks, and spills at the facilities. Let's start with the County, because the Board letter itself omits this information. Two spills occurred at the facilities in August, a chemical spill of hydrochloric acid and a spill of sludge material. The cause of the sludge release was operator error. The County also sent Sable a notice of violation in April for its nighttime construction activities, i.e. outside of the work hours identified in the permits. Not only was Sable operating without a permit, since that decision is before you today, but this violation also demonstrates the company's inability to comply with the simplest and most objective permit requirement -- when they can work. On the topic of leaks and spills, in a little over two months, Sable received four violations from our local Air District, further demonstrating it lacks the skills necessary to operate in compliance with the permit and County code. And regarding the Coastal Commission and Regional Board lawsuits, I want to emphasize that these actions followed repeated notices and orders that Sable ignored, further demonstrating its willful disregard for the law and important safety requirements. So based on this record, no reasonable person could conclude that Sable meets the operator capability requirement, and the Board must deny Sable's applications.

Let's turn to the next finding, which is outlined in part here. As an aside, this is the only finding that has a limit on what information can be provided, and that is as of the date that the application is deemed complete, and that's explained in our comment letter. Sable, however, tries to stretch that narrow limitation to every finding in 25B. That language simply doesn't exist, as further confirmed by Judge Gee's September ruling and County counsel today. In the interest of time, I will summarize this issue quickly. Effective cathodic protection was a central design feature reviewed in the 1985 EIR/EIS. Condition A7 in the pipeline permit requires that approved design be followed or deviations be approved, neither of which have occurred here. At the time Sable's applications were deemed complete, the pipeline's cathodic protection system was not effective, according to PHMSA itself. Since the waivers were approved after Sable's applications were deemed complete, they are not relevant to this finding. Either way, the October 22nd Fire Marshal letter confirms that Sable has not even fully complied with those requirements. As a result, the Board cannot make this finding because a substantial conformity determination has not been made pursuant to A7. And lastly, I, to be followed by the center, will discuss what financial assurances and resources are required under two of the 25B findings.

[00:35:00]

So the remainder of my presentation will focus on why Sable has not demonstrated that it has sufficient capital to remediate after a spill or accident. All of the permits hold Sable liable in the event of an oil spill or other accident from the facilities. This slide in particular shows an excerpt from the SYU permit condition. When read in conjunction with the 25B findings on the previous slide, the proposed operator must demonstrate that it has sufficient financial resources to cover its liabilities under each permit, including paying for spill cleanup. The risk of an accident is not merely hypothetical. Having already seen the damage that these facilities can cause, it would be incredibly

irresponsible and inconsistent with 25B not to ensure Sable can respond to a similar disaster. According to Plains, the 2015 spill cost around $870 million. That's roughly the same amount as Sable's growing debt to Exxon, the due date for which is extended only if the company receives $225 million in equity contributions. And even Sable acknowledged itself there's no guarantee it will be able to satisfy the necessary conditions to effect the amendment. If not, the payment still comes due early next year. A significant amount of the company's cash flow is already from financing, meaning it is basically borrowing to finance a business that is now running towards a cliff with a huge debt payment owed. But at some point, it could become either too expensive or too risky for investors to keep betting on. So what would happen if Sable diminishes its remaining cash and a spill occurs during or shortly after restart? 25B puts the onus squarely on Sable as the proposed operator to show that it has the financial capacity to pay for cleanup and restoration to pre-spill conditions. The February Board letter's reliance on federal funding for spill response is entirely speculative and problematic for many reasons. To name a few, there is a statutory cap on the funding available and limitations based on where the spill is, as well as what substance is discharged. And once again, no insurance policy was provided. Without reviewing the policies, it's impossible to assess the adequacy of Sable's insurance, which prohibits the County from making any financial assurance findings. Without the policy, there are so many questions, as you can see from this slide. So based on this record, it's impossible to assess the adequacy of Sable's insurance to comply with the permit terms, thereby prohibiting the Board from making the financial assurances findings. In sum, the Board cannot make the requisite findings to approve Sable's transfer applications, nor, as the center will explain, can it find that Sable provided adequate financial guarantees for abandonment. Thus, we respectfully request that you deny Sable's applications and direct staff to cease allowing Sable to operate the facilities. I yield my remaining time to the center to complete the presentation for Appellants.

CHAIR CAPPS: Thank you very much. Questions from the Board? Not at this time. Okay. Thank you. Please proceed. Thank you.

RACHEL MATTHEWS: Good morning, supervisors. I'm Rachel Matthews, here on behalf of the Appellant Center for Biological Diversity and Wishtoyo Foundation. So as you've just heard, in the months since the Board's last hearing, Sable has dug itself into deep legal trouble. It has defied agency orders and it has damaged Santa Barbara's sensitive waterways and ecosystems. We fully agree with our colleagues at EDC that this should disqualify Sable under Chapter 25B. But the Board should also think about the future obligations that Sable will have. In particular, Sable is obligated to decommission or abandon the facilities at the end of production. Currently the County has no bond or other financial guarantee to back up Sable's compliance with this obligation. This should raise your hackles. Oil and gas company defaults on decommissioning are so costly and so common that many surety companies won't even take on that risk anymore. The County shouldn't take on the risk either.

[00:40:00]

But we wouldn't be here today if your job was to just rubber stamp these permits and to move on. The financial guarantees findings in Chapter 25B require the Board to independently determine which methods of financial assurances are necessary to assure compliance with the law and whether these need to be updated. Chapter 25B also specifically asks the Board to consider the financial record of the applicant and it authorizes you to impose additional conditions on the permits. So as I said, Sable hasn't posted a decommissioning bond even though the County can require one under all three permits. For example, the POPCO permit requires Sable to post a bond, but planning staff have misinterpreted this requirement to mean that Sable doesn't have to post a bond until the exact time that the obligation to decommission kicks in and that's when the facilities are shut down. This is contrary to the language of the permits itself and it also defies reason. Oil and gas regulators require decommissioning bonds before production begins because that's the only way they can ensure that they're actually protected. So it's not clear why Exxon was never required to post a bond despite the requirements in their permits. And while Exxon is a huge global company, the stakes have changed significantly or will change significantly with Sable taking over. So here's what we know right now, Sable is a new company. Its only assets are the SYU, including its corrosion-prone pipeline. It has a history of noncompliance. It is $875 million in debt to Exxon, and its corporate filings are filled with warnings about its own solvency. We also know that decommissioning facilities is extremely expensive. It's going to cost over $471 million to decommission the offshore assets alone. And we also know that CalGEM has asked for a $32 million bond for the Las Flores Canyon facilities. We don't know how much it's going to cost to decommission the pipeline though. Finally, we know that when operators default, their predecessors may end up spending years in litigation fighting their responsibilities rather than just stepping in to clean up because all of those liabilities are long gone from their books. On the other hand, there is important information that the Board doesn't have. As I mentioned, there's no estimate in the record of how much it will cost to decommission all of these onshore facilities. The Board also doesn't have a credit rating for Sable or any other reliable measure of its credit worthiness, which is one of the main ways that regulators assess bonding levels. Market capitalization is just too volatile to give you a good sense of whether a company is liable to default. And then finally, there's no proof on the record that Sable has complied with its federal and state bonding requirements, including the CalGEM bond that I mentioned earlier. So on this record, the Board can't possibly make the financial guarantees finding and it would be irresponsible to transfer these permits without additional financial protections. And so we ask that you vote to reverse. Thank you.

CHAIR CAPPS: Thank you very much. Any questions at this point for the Appellant? Supervisor Hartmann?

SUPERVISOR HARTMANN: Yes, so for some of the assets, Sable is not the owner, they're the operator. Would the owner have liability, and particularly would Exxon have any liability or how would you talk about that for onshore decommissioning?

RACHEL MATTHEWS: So all three of the permits require the permit holder to decommission the facilities. So I don't know if it comes down to owner versus operator

versus guarantor, but the fact is that whoever owns the facility is going… There needs to be a decommissioning bond for the facilities under the permits and that requirement has not been filled.

SUPERVISOR HARTMANN: And that's an operator responsibility?

RACHEL MATTHEWS: That's a permit responsibility.

SUPERVISOR HARTMANN: Of the operator?

RACHEL MATTHEWS: Yes. Owner, operator, yeah.

CHAIR CAPPS: Supervisor Nelson?

SUPERVISOR NELSON: Yeah, thank you. I've actually got a question for the EDC.

[00:45:00]

TARA RENGIFO: Hi, Tara Rengifo, EDC.

SUPERVISOR NELSON: Yeah, thank you. You were talking about the fact that Sable's had some oil spills and they're being prosecuted by the District Attorney as part of the reason why they shouldn't own or operate a facility. So I guess I'm trying to make sure I understand that logic there. So your logic is an operator who has spills and has been prosecuted by the District Attorney is not a responsible party? Is that what you contend?

TARA RENGIFO: I think we're getting a few pieces here. So it all falls under the finding of operator capability, which is, does Sable have the necessary skills, training and resources to comply with the permitting and codes?

SUPERVISOR NELSON: Right. You brought up some spills that they've had.

TARA RENGIFO: So the spills that I referenced were specific to within the County, at the facilities themselves. The AG complaint is related to the administrative process before the regional water quality control board. And that's with regards to work that they performed in the repair work and around that situation. So I'm not sure which one you're referring to.

SUPERVISOR NELSON: You also mentioned a criminal prosecution by the District Attorney's office.

TARA RENGIFO: That's right. So that's also with regards to their unpermitted repair, or the repair work that potentially violated certain environmental laws.

SUPERVISOR NELSON: So I'm just trying to understand the logic. So if you have spills, you're being prosecuted by the District Attorney's office, you're probably not a responsible operator. Is that the conclusion?

TARA RENGIFO: I don't think you can just pull one piece of evidence out. It's about substantial evidence under the law. And here we have substantial evidence for all the reasons I detailed today of why the Board cannot make a finding of operator capability.

SUPERVISOR NELSON: But you believe those things are evidence of that?

TARA RENGIFO: They go to substantial evidence of that.

SUPERVISOR NELSON: Okay. Thank you.

CHAIR CAPPS: Okay. I think we're good with our questions for now. And at this point, I'm going to close public comment before we go to the Applicant. So public comment is now closed. Thank you. We'll go to our Applicant, Sable.

JESSICA STEBBINS BINA: And just for clarification, we're going to split our time with ExxonMobil. Sable is going to be 15 minutes, and then we'll be switching over to ExxonMobil.

CHAIR CAPPS: Okay. That sounds good.

JESSICA STEBBINS BINA: Also, before we begin, I would just like to formally renew our request for recusal of Chair Capps and Supervisor Hartmann. We do understand that you are rejecting that, but for the record, I need to renew it here.

CHAIR CAPPS: Thank you.

STEVE RUSCH: Good morning, Madam Chair and Board. My name is Steve Rusch. I am Vice President of Environmental and Regulatory Affairs for Sable Offshore Corporation. The staff has already recommended, and the Planning Commission has approved. We ask that you here today deny the appeals and approve our application or change in owner, operator, and guarantor for the SYU project, POPCO Gas Plant, and Las Flores Pipeline Systems to Sable Offshore Corporation. As Mr. Briggs noted, Sable acquired these facilities in February of 2024, and has been working with the County, state, and federal regulators. And just to be really clear on that point, Sable owns the facilities. We bought the facilities. We're operating the facilities. We hired the staff, a lot of who are here today. And we're paying the County and state taxes on these facilities. The limited purpose of this hearing is to seek approval of the transfer of the County permits for these facilities under County Code 25B. Your Planning Commission approved these transfers, and County staff recommends that you approve them as well, and the law requires it. Our counsel, Jessica Stebbins Bina, will now address this.

JESSICA STEBBINS BINA: Before voting today, and especially in light of the court order requiring the hearing, I want to talk a moment about what Chapter 25B actually requires. And I will note, contrary to what counsel for Appellant said, the court has not yet interpreted Chapter 25B. Judge Gee, in fact, expressly deferred the interpretation of Chapter 25B. She did not adopt either side's interpretation because the Board had failed to vote, and she wanted to review the Board's vote. And so she directed us to come back here, have you make a decision. But she has not ruled that it is discretionary or not discretionary. And County Counsel, in fact, has only taken a position that a single of the nine factors, one that's applicable to operators only, has any room for discretion. So I just want to get that out of the way.

[00:50:00]

Chapter 25B outlines the specific narrow inquiry required by the County when evaluating a change of owner, operator, or guarantor. Sections 25B-9 and B-10 contain the specific findings. Again, nine of these apply to operator. Only one applies to guarantor, and only five apply to owner. And County Counsel has conceded that the one that applies to guarantor and the five which apply to owner are not discretionary. They are ministerial, and there is no room for subjective views when a matter is ministerial. The County's inquiry under Chapter 25B is also significantly limited by federal and state preemption, which restrict local regulation with respect to several key areas. First, pipeline safety design and operation are fully preempted by federal law through the Hazardous Liquid Pipeline Safety Act, which vests exclusive authority in PHMSA, which has delegated it to the Office of the State Fire Marshal. And a quote from the statute, “The Office of the State Fire Marshal has exclusive safety regulatory and enforcement authority over intrastate hazardous liquid pipelines.” Why do I mention that? Because there's been a lot of questions already today, there will be more, about pipeline safety, about Sable’s operator capabilities with respect to the pipeline. That is 100% preempted by federal law, and it is not something that this County can consider. Second, evidence of financial responsibility for spill response is governed exclusively by the State Office of Spill Prevention and Response, OSPR. The County cannot lawfully impose additional or different financial spill requirements beyond those required by state law. That field is occupied, and that too is preempted. As you heard earlier, Sable has the maximum responsibility under the state law standard of $100 million for each facility. It has, however, significant additional financial responsibilities, including $700 million in insurance, which we'll talk about in a minute. I will note for Supervisor Hartmann, the insurance, we did offer to share it with staff, our brokers have met with staff, and it does apply in all of the situations that you are concerned about. We're happy to continue that conversation, but the insurance is fully viable in the event of a spill. Third, preemption is also established by the California State Lands Commission, which regulates various offshore, by BSEE and by Cal/OSHA, which also have regulations that impact local jurisdiction. And finally, in 1988, this County recognized its own limitations with respect to pipeline operations in the Celeron settlement. Here are the nine factors, the owner, the operator, and the guarantor -- and I will note again, just with respect to the financial guarantees, because this is something we heard a lot about earlier -- the actual language of the financial guarantees finding here is simply that the insurance bonds instruments

approved by the County are necessary to comply with the permit, and any County ordinance have been updated to reflect the new owner and will remain in effect. This is not a new finding, it is just updating with the new owner's information. Back to Steve.

STEVE RUSCH: Yeah, the Planning Commission's findings confirm that Sable has met all the County code requirements, and there's no basis to find that these requirements are not now satisfied. Again, this is preempted by OSPR, O-S-P-R, but to be clear, Sable exceeds the financial requirements under 25B, as the Planning Commission found and the staff report confirms. There's a lot of detail on this slide, but the bottom line, as Jessica has mentioned, is that there's more than $700 million in insurance to address any incident. And this was to address the Board's previous concern that $400 million wasn't enough, so we've upped it to $700 million. Next slide. Sable certificates of financial responsibility are on file and approved by the state. That plan is based on an operating pipeline and not a pipeline without flowing oil, as has been claimed by the Appellants. All compliance and contingency plans have been updated and reviewed by staff as required by 25B, including a valid and effective spill contingency plan. Staff has reviewed all these plans more than required by 25B and confirmed they've been updated consistent with 25B, and each of the last two years, we've successfully completed two emergency response drills per year and were complimented by the agencies present. In fact, they've used those drills as a training ground for their own agency personnel. Most importantly, Sable meets and exceeds the operator capability requirements.

[00:55:00]

As evidenced by all the experienced levels of staff, most notably in similar situations, Santa Barbara Channel, Outer Continental Shelf and associated onshore facilities, our extensive track record shows it has the experience necessary to continue to safely operate these facilities as exemplified over the past year. The Planning Commission notes that extensive subject matter expertise of Sable's management team represent an average of 31 years of experience operating oil and gas facilities within the County and the onsite management team's more than two decades of average experience. We've had zero major incidents involving crude oil and gas facilities within the United States. Sable's management team has demonstrated its ability to operate these facilities in an exemplary fashion. Also, we have an awesome field operations workforce, as I mentioned, many who are here today. This finding is narrow and requires the County to review specifically enumerated compliance records and corrective actions for major incidents at similar facilities. And again, this is preempted for the pipeline. OSFM, the Fire Marshal, has exclusive jurisdiction over pipeline safety and design. We've demonstrated a strong commitment to world-class quality and safety. Sable implements rigorous testing programs to ensure that the production facilities operate safely. Our enhanced safety protocols and management systems are overseen by our experienced team who are key to our longstanding record of safety, safely and successfully operating oil and gas production facilities in California and in the Santa Barbara Channel. The Board has already looked at cathodic protection when it approved the transfers to ExxonMobil. While cathodic protection remains fully in place on the pipeline, this Board already correctly found that cathodic protection is not the condition of the FPP. Before the

February 25 hearing, County staff confirmed again that Sable is in full compliance. And there are no changes from September 23 with respect to the Board's cathodic protection findings.

JESSICA STEBBINS BINA: After the Planning Commission approved the transfers, as you all know, two appeals were filed. These appeals significantly misstate the facts and misrepresent the County code. They're an effort to distract the Board from the mandatory and narrow requirements of Chapter 25B. One thing I do want to note with respect to the court order, while the court has not yet construed Chapter 25B, she has confirmed that this Board must follow the code and cannot simply act on things that are outside its text, other concerns that are outside the actual text of Chapter 25B in making its decision. And that's required by procedural due process. We also do want to note our disagreement with County Counsel's position with respect to whether the entire code provision is only as of the date the application is deemed complete. The County Counsel is correct that it appears only in some provisions, but the effect of the code as well as the process that's in place, including the review process, we believe requires that the entire application be considered as of that date. So again, just noting that for the record. One thing to note here is that a permit transfer appeal is a quasi-judicial process, which requires a full and fair due process hearing. This is not a political decision. Procedural due process requires that applicants have fair notice in the statute of the requirements they are required to follow. And the Board does not have authority to add extra requirements not in the text of Chapter 25B. They would violate due process if they determine the appeals based on materials that are not fairly disclosed within the text of the ordinance. We already talked about this. The Board cannot consider information in our view that postdates the applications. But to be clear, and as we'll talk about in a moment, consideration of later timed information does not change the outcome under Chapter 25B regardless. I'm going to quickly go through the next few slides because I think they are well covered in our written submission and I'm mindful that I have three minutes left. So I will jump through these responses to some of Appellant’s specific arguments. But I do want to focus here on a few things we've heard today with respect to resources and the ability to add a decommissioning bond or require other additional financial assurances that are not in the permit. The Appellants have relied on a draft version of the statute and the provisions that they've talked about, including the idea that they can just add a decommissioning bond or that we have to show responsibility for shutdown of the facilities, that they could require additional financial assurances, those were all specifically removed from the draft statute.

[01:00:10]

And in fact, when they were specifically removed, staff issued a report that was actually initially submitted to this Board by EDC, and that report confirmed that neither the financial guarantees nor the abandonment findings impose any unspecified financial requirements. They simply require that the provisions in permits and ordinances are adhered to. And confirmed that they would not open up the permits for renegotiation of financial responsibility other than when the permits already provided for that. So there is no ability of this Board to add additional financial requirements beyond those in the permit. And contrary to Appellant's contention, the permits do not require a

decommissioning bond until the facilities are shut down, and that's very clear. And that's the way the County has interpreted the permits since 1988. The legislative history, I think we covered that already. Because Chapter 25B is such a narrow statute and a mandatory one, Appellants are asking the Board to look beyond it. They've asked to focus on the dispute with the Coastal Commission. I will note that everything that Sable did with respect to the Coastal Commission was authorized by the County specifically. And it would be arbitrary and capricious for the County to deny a permit transfer based on conduct that it authorized. With respect to the Air District and a few small spills which were mentioned today, I will note that these were all self-reported. They were immediately corrected. There was no damage to the environment in any of them. The Air District was consistent with historical operations at SYU. And in fact, based on Appellant's submission, we had the exact same number of violations as Santa Barbara County Fire Department. All to say, this is not the sort of systemic noncompliance that would justify or demonstrate a failure to comply with County permits. With respect to the Water Board and the related criminal charges, we are engaged, active resolution with respect to the agencies to reach a resolution. Several of the Water Board sites have been retroactively permitted. We are working to try to retroactively permit the others. And with respect to the criminal charges, they are vigorously disputed. In the United States of America, you are presumed innocent until proven otherwise. And we do not believe that allegations constitute evidence of wrongdoing. And they are not a basis for a finding by this Board.

STEVE RUSCH: And lastly, we ask that the Board follow the law and deny the appeals. We're available for any questions the Board may have after the closure of public comment. And now we'll pass it off to Exxon.

LAUREN KAPLAN: All right. Almost good afternoon. I am Lauren Kaplan, and I'm speaking on behalf of ExxonMobil Corporation and its affiliates. ExxonMobil is participating in today's hearing as the prior owner, operator, and guarantor of these facilities with long-held permits in the County and as one of the County's biggest taxpayers for many decades, paying millions of dollars each year in property taxes. I'd like to start just by way of background to emphasize that the permits that we're discussing here today were issued in 1987, 1988, and 1993, which was all well before Chapter 25B was passed in 2001. In operating the facilities, ExxonMobil was a good partner to the County and had a long history of safe, incident-free operations. ExxonMobil worked diligently to meet the County's regulations and stated preferences for oil and gas operations. ExxonMobil previously used an offshore vessel to transport oil, and when the County stated a different preference, it moved its facilities onshore. Now, consistent with the County's preference, ExxonMobil seeks to transfer the FDPs for the assets to Sable, but the County has refused to act on the transfer. The presentations by the applicants and planning staff demonstrate that the requirements of Chapter 25B have been met, and the Planning Commission's prior approval should be upheld. I'm here just to make three additional points. First, ExxonMobil sold these assets with the understanding that the County's rules would be applied objectively and fairly. The County's role in FDP transfers under Chapter 25B is limited to ensuring compliance with specific enumerated

requirements. Any broader construction of these requirements grants the County unbridled discretion to reject permit transfers based on arbitrary and random criteria.

[01:05:10]

No one could operate or sell a business in this County if such standards are in place. ExxonMobil expects that, Supervisor Lee, as a business owner, you would understand the need for this consistency. You need to have assurance that you can sell or transfer your business without ministerial ordinances effectively blocking that transfer. It cannot be that Chapter 25B's purpose is to prevent large oil companies from selling to smaller ones, or that the Board is empowered to do essentially anything to prevent this from happening. This interpretation would make asset transfers by companies like ExxonMobil, which is one of the world's largest oil companies, virtually impossible. Second, ExxonMobil has experienced inconsistent application of this regulation. ExxonMobil has been here before. I've been here before. In 2023, when Plains sold the pipeline to ExxonMobil, the County confirmed Chapter 25B's narrow scope and approved that transfer. Chair Capps, you confirmed at that 2023 hearing that a change of ownership is an administrative action, and it does not have any impacts on the environment. And in approving a transfer, all that the County is doing is ensuring that the County permit actually matches the company that owns the pipeline, and that is important. Yet, in February 2025, the Board failed to vote in favor of transferring the permits to actually match the company that has owned the pipeline for now almost two years, and Chair Capps cited pipeline safety as the rationale for her denial vote. And that is not something that the Board should be considering. In the February 2025 hearing, Chair Capps, you acknowledged that Sable met the requirements of a checklist. That should have been the end of the inquiry. Supervisor Hartmann, you've recused yourself from every proceeding involving ExxonMobil in this pipeline, including the prior owner-operator transfer, because the line runs adjacent to the northeast corner of your property, and now you have determined without any change of circumstances or legal advice that you are no longer required to recuse yourself. If the Board takes the approach that the Appellants are advocating for, the County will have converted a routine ministerial paperwork change into an undeterminable process subject to this Board's political whims. This arbitrary approach seriously jeopardizes the constitutionality of 25B, and the Board should tread carefully if the County wishes to have any future review opportunity for oil and gas permit transfers. Now, finally, I want to make clear that the County's actions threaten to violate ExxonMobil's vested rights to own, operate, and sell these assets, and ExxonMobil will take whatever actions are necessary to protect those rights. The County cannot unjustifiably deny the ExxonMobil affiliates the ability to exit from the permits despite the sale of the facilities. Doing so would infringe on their constitutionally protected rights, and substantially impede the performance of the contract that ExxonMobil has with Sable. ExxonMobil will continue to exercise its legal rights to ensure the permits are transferred, and will seek to recover from the County all damages incurred. Thank you.

CHAIR CAPPS: Thank you. Okay. Any questions at this point? Excuse me, let's have some quiet. Any questions at this point? Supervisor Hartmann?

SUPERVISOR HARTMANN: Yeah, I have a couple. The first is, would you allow that the County has authority to protect public health, coastal resources, and taxpayers?

JESSICA STEBBINS BINA: Supervisor Hartmann to the Chair. I think the County has authority in certain areas. They don't have broad general authority to construe any statute to protect those things. They're bound by the words in the statute, and they are in some areas preempted by federal and state law.

SUPERVISOR HARTMANN: Okay. Are there any other state or federal issues that Sable is facing, other than the ones that have been pointed to today, such as OSHA?

JESSICA STEBBINS BINA: I'm not certain whether there are any other state and federal issues that Sable is facing. I will note that state and federal issues are expressly outside the scope of Chapter 25B. So it is certainly possible, but they're not part of my preparation for this hearing. There were a number of state and federal issues mentioned, and again, state and federal authorities are the authorities with jurisdiction.

SUPERVISOR HARTMANN: I think a culture of responsibility and safety and protecting workers and the environment and the citizens is very much a County responsibility. If there were a spill, is Exxon still on the hook?

[01:10:14]

JESSICA STEBBINS BINA: If there were a spill, Sable's insurance would almost certainly cover it. While Appellants mentioned a very large number for cleanup of the prior spill, in fact, the hard cleanup costs by their own estimates were around $110, $120 million tops. The pipeline now has a much lower potential discharge in a worst-case scenario spill, which is something the Office of the State Fire Marshal has confirmed. So more than likely, the $700 million would fully cover the spill and then some. With respect to who is still on the hook beyond that, I know that there is a County requirement for prior owner liability with abandonment. I don't believe there is one with respect to spill response. But again, spill response is governed by OSPR and is specifically set, and Sable has fully, maximally put in the amount that is required by state law for spill response.

SUPERVISOR HARTMANN: Could we talk a little bit more about decommissioning? If, in fact, Sable did go bankrupt after a spill, who would be responsible for decommissioning? The ordinance does say that the previous owner is on the hook, but evidently the plain reading of the ordinance isn't something that you're willing to accept on its face.

JESSICA STEBBINS BINA: I disagree. I vehemently agree that the plain reading of the ordinance is correct and should be applied by this Board. I don't think that's what some of you are interested in doing. But in fact, I do think that the statute says that the Board may look to prior owners in the event of decommissioning. I will also note again that the Board considered in 2001 adding an express decommissioning requirement to Chapter

25B. They did not ultimately add that. It was expressly removed and their own staff confirmed that no decommissioning requirements could be required consistent with the actual adopted language of the statute.

SUPERVISOR HARTMANN: I believe 25B does, in fact, assert that the previous owner would be responsible for decommissioning.

JESSICA STEBBINS BINA: Yes. I mean additional decommissioning bonds not already required by the permit. That was what I was referring to there.

SUPERVISOR HARTMANN: So what do you make of the require…or at least 25B saying that we can ask for information needed to assure the financial guarantee's finding or any other information that the County may require to approve any change in owner, operator, or guarantor?

JESSICA STEBBINS BINA: Well, I have two responses to that, Supervisor Hartman. The first is that the statute, the ordinance evolved as it was written, and as I just discussed, it was originally written to be quite broad. In fact, there were going to be additional ordinances adopted specifically with respect to financial responsibility. Over time and in negotiation with industry leaders as well as people who raised concerns about the proposed breadth of the ordinance, it narrowed. And so the financial assurances that were originally contemplated under the initial draft when that language was introduced were broader, and they were narrowed in the final draft. The second thing I would note is that this applies to a wide variety of permits, some of which may have broader financial requirements than these permits do, in which case a broader inquiry might be appropriate. But here, you are limited to looking at what is necessary to comply with the permit and with the County ordinances, and that is a short list.

SUPERVISOR HARTMANN: I don't see a list really here. I see a requirement that we have some discretion in asking for information to be assured that indeed there is the financial capability.

JESSICA STEBBINS BINA: You may ask for information, Supervisor Hartmann, but you are limited to confirming, and I'm quoting from the chapter, that the necessary insurance bonds or other instruments or methods of financial responsibility approved by the County and necessary to comply with the permit and any County ordinance have been updated, if necessary, to reflect the new owners and will remain in full effect following the ownership change. And again, staff confirmed today but also in 2001 that that did not permit the addition of unspecified financial assurances.

SUPERVISOR HARTMANN: I guess it's a difference of interpretation, then.

JESSICA STEBBINS BINA: So it seems.

SUPERVISOR HARTMANN: Thank you.

CHAIR CAPPS: Supervisor Lee.

[01:15:00]

SUPERVISOR LEE: So earlier you made a statement about comparing yourself to our County firefighters about violations. Can you clarify that?

JESSICA STEBBINS BINA: Yes. We were looking at the documents EDC submitted with their filing, which did include a small number of Air Quality Review Board notices of violation, as well as I think two self-reported small spills that had no environmental impact. And we would just count it up. There are a number of businesses in the County that had dozens and substantially more than Sable did. I believe, and forgive me if I misspeak, but when we did the count, it appeared that our NOVs were equal to the County Fire Department's.

SUPERVISOR LEE: Okay. Well, I disagree with you. I don't like you comparing ourselves to our County firefighters. So I just want to say that.

STEVE RUSCH: Supervisor Lee, just to add to that, if you look back at the history of just SYU, the amount of those small infractions with the APCD is consistent going back 10, 15 years. Actually, back to when I worked on SYU for the prior owner, same thing. I mean, these are typical. We self-report every little thing. I mean, the regulations in Santa Barbara County are probably the most stringent in the world. And any slight deviation, and we send millions of data points to APCD, so you can conceive that you're going to have these minor discretions, and there's processes to address those, and we have addressed those.

JESSICA STEBBINS BINA: And Supervisor Lee, to be clear, my comparison to the firefighters was not in any way, shape, or form to malign the firefighters, but to emphasize the fact that the very best organizations in this County still sometimes run afoul of the air quality requirements because there are so many.

CHAIR CAPPS: Okay. I had just one question. So we're clear that Chapter 25B states that the applicant has the "skills, training, and resources necessary to operate the permitted facility in compliance with the permit in all applicable County codes." In February of this year, contrary to the mischaracterization by Exxon, I asked a lot of questions about the resources part of that statement. Specifically, I asked for the insurance policy. I was kind of given a non-answer when asked if it could be produced. So to this date, has that insurance policy been produced?

JESSICA STEBBINS BINA: It has not, Chair Capps. We have repeatedly offered to staff to share it with them. Because of legal issues, we cannot have it placed in the public record. However, we have offered to have an in-camera review. We have offered to have our broker sit down and walk through the liabilities and exclusions. We have done everything other than place our confidential insurance into the public record and we

remain willing to do that. There is no issue with our insurance that would affect the County's recovery.

CHAIR CAPPS: Thank you. Okay. Any other questions? Okay. Thank you. I believe at this point we'll move to, just looking at the clerk, I think we move to public comment at this point. Let us have the final number here.

CLERK: Chair Capps and members of the Board, before we proceed with public comment, I did just want to make a quick note for the record that Supervisor Hartmann did submit to my office the aforementioned ex parte that she had regarding research on state and federal funds for oil spill response and that is now available online. And I believe it is being passed out and is going to be made available in the back of the room. We are having some printer issues at the moment, but copies are being made for anyone who is interested in the ex parte that was mentioned by Supervisor Hartmann.

Okay. So we will begin with public comment to this agenda item, which is Departmental Item #3. And we have 95 requests to speak on this item. And if you are a member of the public and signed up on Zoom, if you can please log in now. It looks like there's quite a number of public members who signed up that are not logged into Zoom. So if you are watching and not logged into Zoom please log in now. And a reminder to those, public comment has been closed. It was closed at 11:40. So we are not taking any additional speakers, that's in person and on Zoom. So if you signed up after 11:40 the public comment period was already closed. And we are going to take a break at 1:00 o'clock. So we'll get through just a small portion of those at the beginning. And then we'll proceed after that 1:00 o'clock break.

[01:20:06]

CLERK: And each speaker will be receiving allotted a minute and a half to speak. We'll begin on Zoom with Christina Sandoval to be followed by Michael Leons. Christina?

CHRISTINA SANDOVAL: Can you hear me?

CLERK: Yes, we can. Please proceed.

CHRISTINA SANDOVAL: Wonderful. Thank you. My name is Christina Sandoval. I'm the director of the UCSB Coal Oil Point Reserve on the Goleta Coast, 10 miles south of where the Refugio oil spill occurred. I am at the reserve every day serving, teaching, and engaging the public about the preservation of our coastline. I tell them about the devastating effects of the Refugio oil spill. We documented that animals covered in oil, snowy plovers with patches of oil on their feathers. We watched the snowy plovers eating oil accidentally while trying to clean themselves. We documented infertility on snowy plovers following the oil spill. I also learned about a hard lesson. Oil companies do not pay sufficiently for the damages they cause. As a steward of the California coast, I do not support the renewal of the oil exploration on our coast based on this recent history of

TARA RENGIFO: Yes. Tara Rengifo on behalf of Appellants with the Environmental Defense Center. So there's a few points I want to address with my time. The first is to talk about the court decisions that refute the statements by Sable's counsel today. And I would like to emphasize there's a reason I use direct quotes in my presentation and photos of the actual order and pleadings and whatever else in my presentation. But just to hit on some of those again. Again, these are direct quotes from the order from Judge Gee in her September 12th ruling in the Sable vs. County litigation. So with regards to 25B, she says, quote, "Chapter 25B provides that the Board's hearing shall be de novo and the Board shall hold a public hearing. This suggests that the Board has the authority to engage in affirmative acts that go beyond merely reviewing the administrative record and giving a thumbs up or down. Here, the Board has the authority to conduct de novo fact finding," end quote. The court continued. She said the Board, "has discretion to decide which action of the three to take." She means affirm, modify, or reverse. "And discretion within its de novo review process," end quote. She also says, "These discretionary actions are separate from the mandatory and ministerial process of hearing and affirmatively acting on the appeal," end quote. And finally, she concludes, "In other words, the Board's de novo review of the Planning Commission's decision is discretionary." I mean, that's pretty clear in what she says the Board's role is here and its discretion and this is a de novo hearing. I also would like to quickly address Judge Anderle's recent ruling in the Coastal Commission litigation. That was on October 15th. And in his ruling, he ruled in favor of Coastal Commission and rejected Sable's claims, finding Sable's repairs were not authorized by County permits. Next, there were a lot of arguments made about preemption. So just to touch on a few of those today, the County is not preempted under a theory of field preemption from requiring financial assurances for a spill separate from the coffers. There's no case that really supports Sable's theory. They cite to statutes, but nothing in that language expressly states or even suggests that authority over financial responsibility is reserved to OSPR exclusive of local governments. And the purpose of 25B's financial assurance requirements and OSPR's Certificates of Financial Responsibility Scheme, differ in purpose. So the former is primarily intended to assure an entity is capable of remediating a spill, but the latter provides a means of clarifying what entity maintains liability. And on federal preemption, Sable points to the Hazardous Liquid Pipeline Safety Act, and specifically its express preemption provision. But that provision applies to *inter*state pipelines. And the Las Flores Pipeline System is an *intra*state pipeline. So the express preemption provision does not restrict state or local authorities from regulating *intra*state pipelines. And on the Fire Marshal or state law preemption, the Fire Marshal has assumed jurisdiction over the state's *intra*state pipelines pursuant to its federal certification. And its authority, however, is limited to matters of pipeline safety and integrity, so the infrastructure. And here, we're looking at whether an operator is capable of safely and responsibly operating a pipeline facility. It's a separate matter than what's entrusted to the Fire Marshal. There was also a reference that Appellants are asking for unbridled discretion from the Board in terms of the 25B findings, and that is just not the case. We're not suggesting that at all. We're really looking at the plain language of the ordinance itself. So Chapter 25B cabins the Board's discretion to scrutinize the qualifications of a proposed transferee based on the express parameters set forth in the required findings. So for operator capability, for example, it

limits the County's inquiry into a proposed operator's skills, training, and resources with regards to the permit requirements and County Code requirements.

[03:15:09]

On decommissioning, Sable's interpretation and the County staff's interpretation of when the facility's decommissioning performance bonds would be required, they're saying it would be immediately following the permanent shutdown of the facilities, is illogical and contrary to the plain language of the permit terms. That's why in our letter we actually pulled the permit language out so you can see how each condition is fully set forth in the permits themselves. It's also inconsistent with County Code Section 35-153. The condition in reality says that the abandonment should occur immediately following shutdown, which makes sense. But the bonding requirement is not so qualified. And lastly, I would like to emphasize that the lawsuits that we reference in our presentation today and also in our comments, those stem from a very in-depth, evidentiary process at the administrative phase and through administrative proceedings. That's from multiple notices of violations or directives or orders, hearings, etcetera. So that's what led to those lawsuits. But it needs to be emphasized that there was a whole process and a bunch of evidence that went into the subsequent litigation. So the County has demonstrated that it will approve a change of owner and operator where appropriate. Exxon went through this process just a few years ago. So both Sable and Exxon knew that they would need Board approval pursuant to Chapter 25B. And for all the reasons stated today, we urge the Board to deny the applications to transfer the permits and direct staff to order Sable to immediately cease any and all operations of the facilities. And I have some remaining time if my colleague would like to join.

CHAIR CAPPS: And actually, I'm told that you also, both of you, if you need it or would like it, you have a minute and 44 seconds remaining from your presentation time earlier.

TARA RENGIFO: If we need it, we'll add it on. Thank you very much.

RACHEL MATTHEWS: Trying to be efficient with our time. So I just had a couple of small points to make specific to the financial guarantees finding. I wanted to flag that the language in that finding is that the financial guarantees have been updated if necessary to reflect the new operator. And Sable wants you to think that that just means a change in name. And that's just not the case. I mean, reflect what? Their financial status. And you know that because Chapter 25B requires submission of financial information and it requires you to consider the financial capacity of the new operator. So that analysis is contained within that finding. I also wanted to address the fact that the existing permits already require decommissioning bonds. That language was in my presentation. It's not a new requirement. But again, the finding for financial guarantees does inherently evolve evaluating the financial capacity of the applicant. So that was the only thing I had to add. Thank you.

CHAIR CAPPS: Thank you. We can take any questions from the Board at this point. Or we can do them at the end. Okay.

SUPERVISOR LAVAGNINO: I have a question.

CHAIR CAPPS: Okay. Supervisor Lavagnino?

SUPERVISOR LAVAGNINO: Oh, is it just EDC?

CHAIR CAPPS: It would be just of the Appellant.

SUPERVISOR LAVAGNINO: Okay. I have some questions [INDISCERNIBLE 03:18:51]

CHAIR CAPPS: We'll move to Applicant rebuttal, 10 minutes.

JESSICA STEBBINS BINA: Thank you, Madam Chair, Supervisors. I want to address a few things that the Appellants just said, and then circle back to some questions that have been raised today. The first point is about the discretion under Chapter 25B and what Judge Gee has or has not ruled. To be clear, she has not ruled that any particular part of Chapter 25B exercises any particular kind of discretion. She did rule that this Board was required to hear the matter de novo, and that they had discretion to approve, modify, or deny the appeals, and that they had to exercise their discretion to do one of those things. But she has not ruled, for instance, that one subsection or another does or does not grant the Board discretion. And I suspect no matter what happens today, we will back before her asking her to clarify those points.

[03:20:00]

But I will note again that County Counsel has said that of the nine, they've only said that the last finding for operator capability has any discretionary component. The remaining eight, at least counsel has reflected, are ministerial. I note that especially because owner and guarantor do not involve any findings that the County has declared are discretionary. So just noting that for the record. Again, we disagree that any of the findings allow discretion to the degree that has been advocated today, which would allow decommissioning bonds or new and additional financial assurances. And again, I will point to the staff report from 2001 referenced in our papers and in our presentation, which confirmed that when they removed those provisions from the draft, they no longer were in the document. And I'll quote it again, "Neither the financial guarantees nor the abandonment findings impose any unspecified financial requirements. They simply require that financial responsibility and abandonment provisions and permits and ordinances are adhered to." So it's simply not the case that new operator means you get to impose new and different findings and requirements. I also want to speak today about the notices of violation that have come up a few different times. The vast majority of them with respect to the Water Board, the pending criminal charges, and the Coastal Commission disputes all relate to repairs that were mandated by the Office of the State

Fire Marshal. And the question was whether or not additional permits were required either by the Coastal Commission or by the Department of Fish and Wildlife or the Water Board. And those involved moving dirt, right? We're not talking about hazardous waste discharges or something like that. There is a dispute. It's active. I am not trying to minimize it. But none of those are safety violations in the sense of any kind of oil spill or discharge of hazardous materials. The only two hazardous materials discharges that we've got in the entire record were the ones that were raised, a small spill of hydrochloric acid and a spill of, quote, "sludge," both of which were self-reported by Sable. And if you look, EDC has actually attached the actual reports to their letter. You can see that they were small, that they were appropriately cleaned up immediately, that they were reported immediately, and they do not evidence systemic noncompliance of any kind. And again, I would say that pretty much anyone who operates any kind of business that involves dealing with hazardous materials is going to occasionally have something small that they will then fix and report, as Sable did here. We have, again, offered to continue the conversation regarding insurance policies. It's not required by the code. But County Counsel has talked to our broker. I'm sure the Board could inquire from them if the insurance policies are adequate. I will note again that that's not something that Chapter 25B requires. There's no requirement of insurance in the permits or in the code itself. But our insurance is good. Relatedly, their decommissioning bonds, again, the Appellants have excerpted a portion. If you read the entire provision in context, it's clear that the obligation to provide a decommissioning bond applies at the end of the life of the facilities when they have been inactivated. And that is the way that this Board and this County has interpreted them for almost 40 years, I think it would raise serious due process considerations if the Board were to suddenly impose a new and different requirement based on that language. We have also repeatedly asked what Sable could do to possibly satisfy the Board's conditions. Because none have been articulated other than the concern about insurance, which we raised nearly double what there was before. And we have repeatedly offered to provide further information. But beyond that, the answer seems to be just "don't be Sable," and/or "don't operate oil and gas facilities," and neither of those is a legally sufficient answer. I think that is the bulk of what I wanted to respond to. I know there are questions that the Board has, so I will stop there.

CHAIR CAPPS: Okay. Thank you. Thank you very much. We will move to staff comments. Did you have a question, Supervisor Nelson?

SUPERVISOR NELSON: I have a question for staff.

CHAIR CAPPS: Okay. So staff, Director Plowman or Mr. Briggs, did you want to give any reaction to the things that was said first, or just take questions, either way?

COUNTY COUNSEL: Madam Chair, we'll just take the questions.

[03:25:00]

CHAIR CAPPS: Okay. Sounds good. I think Supervisor Lavagnino was next.

SUPERVISOR LAVAGNINO: Thank you. I think my question is directed to County Counsel. So what I'm trying to do is clear up a little bit of confusion about what we're doing today and whether it affects opening or closing the pipeline. And I guess what I want to ask first is if you could just kind of give us a 30-second on SB-237, so how that law changed and what's required now after January 1st, between the two of you guys, County Counsel and Staff. I think County Counsel is going to weigh in first, too.

COUNTY COUNSEL: Supervisor Lavagnino and members of the Board. SB-237 amended the public resources code. And so after January 1st, it will require a new coastal development permit for repair, reactivation, and maintenance of an oil and gas facility, including an oil pipeline, that has been idled, inactive, or out of service for five years or more. So that's the last parts of the quote.

SUPERVISOR LAVAGNINO: So then I guess this part is for P&D Staff. So let's just say in a world where this was approved, how do you see that affecting this particular project?

ERRIN BRIGGS: So Madam Chair and Supervisor Lavagnino, the Las Flores pipeline would fit that description. And it would appear that we would need to process a CDP prior to restart of the line.

SUPERVISOR LAVAGNINO: Okay. So I think that was kind of lost in this hearing a little bit, too. If this Board approves this transfer, it just doesn't automatically open up the pipeline.

ERRIN BRIGGS: Absolutely not.

SUPERVISOR LAVAGNINO: Okay. Great. Thank you.

CHAIR CAPPS: Supervisor Nelson.

SUPERVISOR NELSON: Yes. Thank you. And I'm trying to clear up some confusion, too. Because I'm hearing some different things here today was, you know, getting started restarting the pipeline as Supervisor Lavagnino...and the transfer of the asset. Who owns the Santa Ynez facility right now? I mean, who's the actual owner?

ERRIN BRIGGS: So Madam Chair and Supervisor Nelson, the owner of the facility is Sable Offshore Corporation.

SUPERVISOR NELSON: Okay. So they own it?

ERRIN BRIGGS: Correct.

SUPERVISOR NELSON: Who's operating it out right now?

ERRIN BRIGGS: So the operator would also be Sable Offshore Corporation. However, the permits have not been transferred to the new operator. So technically speaking, ExxonMobil is still the operator of record.

SUPERVISOR NELSON: Okay. So does that change how we regulate it from the County's perspective?

ERRIN BRIGGS: No.

SUPERVISOR NELSON: Okay. So we don't issue them a notice of violation at some point over that?

ERRIN BRIGGS: We have not done that.

SUPERVISOR NELSON: Or a cease and desist? Or that they can stop operating because there's a different name on the permit?

ERRIN BRIGGS: We have not done that.

SUPERVISOR NELSON: We've not done that. Is that something that was within our purview?

COUNTY COUNSEL: Madam Chair, Supervisor Nelson, there have been discussions about that. And letters have referenced something along those lines. And I think what we would have to do is take a look at the set of circumstances and analyze whether or not it warranted any kind of enforcement action. So I'm not prepared to answer that question today, but would want to look at the facts and determine what was actually occurring on the ground.

SUPERVISOR NELSON: I think it’s really important to this conversation. Because it really depends on what's going on, right? If that is, in fact, where we could actually have some kind of cease-and-desist because the permit was transferred, then this means something. If it doesn't, this is really some type of exercise. So I'm just trying to sparse that out a little bit.

SUPERVISOR HARTMANN: Could I follow up on that? It's related.

SUPERVISOR NELSON: Okay. I've still got some questions along with that. But if you wanted to pop in on that. Yeah, sure.

SUPERVISOR HARTMANN: So I guess we're trying to get at what is the effect of a transfer or a not transfer? And I guess my question is more specific. And is Exxon on the hook if there were a spill, if there were some question about something that's a financial responsibility?

COUNTY COUNSEL: Supervisor Hartmann through the Chair, I think that is an excellent question. And they are the owner/operator currently on our permit. And I think we would look to them to assist with something provided they are still considered the permit holder, if an incident were to occur.

[03:30:00]

SUPERVISOR NELSON: So if I could have it back for a moment. So typical oil and gas operations, if an owner goes under, we typically go to the previous owner. Is that correct? For remediation, for cleanup. It's typically how our system works here.

ERRIN BRIGGS: So Madam Chair and Supervisor Nelson. So in the case of a spill or some type of operational incident, we would not look to the prior owner/operator. In the case of abandonment, we would.

SUPERVISOR NELSON: Okay.

ERRIN BRIGGS: So if we're talking about Sable walking away from abandonment responsibilities for the onshore facilities, we would look back to Exxon and they would be responsible for that.

SUPERVISOR NELSON: Okay. That's, I think, helpful as well. All right. So Sable owns it. They operate it. Just the permit's not in their name. Do they own the permit? I mean, even though it's not transferred to them. I mean, having a permit's actually -- there's some ownership to that. It's part of the bundle of the property rights, right?

ERRIN BRIGGS: So I think we're getting to the core of some --

SUPERVISOR NELSON: Exactly.

ERRIN BRIGGS: Yeah. So Sable has purchased these assets from ExxonMobil and there's an expectation that they are able to follow through on the permits that would be transferred with the land under any other normal circumstances. Here we have Chapter 25B, which makes things a little cloudy in this regard. I think some of the hesitation that you hear coming from staff is that there are legal issues that are wound up in all of this, and takings issues that could involve large amounts of money. And it's very difficult to say with certainty that we have the ability to stop this transfer and tell Sable that they're not able to operate these facilities when, in fact, they own them.

SUPERVISOR NELSON: Okay. And so, I guess another thing for especially the younger kids that are here today that we're advocating. They think the vote that we have here is about restart or operation. Does this vote have anything to do with that?

ERRIN BRIGGS: No.

SUPERVISOR NELSON: Okay. All right. I just wanted to clarify that. All right. That's it for now on questions for me. Thank you.

CHAIR CAPPS: Supervisor Hartmann, do you have further questions?

SUPERVISOR HARTMANN: I did have a question about the abandonment issue. I'm looking in 25B about liability for abandonment. And there it says that if the current owner or operator does not have financial resources to fully cover the cost, then the immediately preceding owner or operator shall be responsible. I know in offshore matters that the company, the lease for the offshore contains that obligation. But I'm just wondering how strong this ordinance if Exxon… I mean, the worst case scenario, and I think that's what we're here sort of considering, is a company that may be having some financial distress. Early on, there's a spill, a bankruptcy, and then what happens about abandoning these facilities, and who's responsible? And I would imagine that if the permit transferred, Exxon would challenge this in 25B. I mean, I guess I'd like you to speculate, how airtight is this at protecting us from the worst case scenario?

ERRIN BRIGGS: So Madam Chair and Supervisor Hartmann, in this case, the language that you see there in 25B about prior owners being responsible for abandonment responsibilities is very similar to the language that is required by the state. And so, we're not fully reliant upon 25B if we were to go after a prior owner, Exxon in this case, for abandonment. Because we have state law that supports that as well. And right now CalGEM and Sable are in disagreement about some of those requirements, but at the end of the day, I think the state law is pretty clear in that prior owners will be responsible.

SUPERVISOR HARTMANN: And are there any exclusions or exceptions, or is that just like strict liability?

ERRIN BRIGGS: I have not heard of any exceptions to that.

CHAIR CAPPS: Supervisor Lee?

SUPERVISOR LEE: So Errin, is one example, Venoco with Chevron in Carpentaria, is that one example of…

ERRIN BRIGGS: So Madam Chair and Supervisor Lee, Venoco is in state waters, and so the regulations there are a little bit different, but the concept is the same. So if you were to look at the law, it's going to say roughly the same thing with different language, but generally speaking, the concept of going after a previous owner is codified both onshore and offshore.

[03:35:00]

SUPERVISOR LEE: Got it. And how long can you say that Chevron has been working to decommission the Venoco company? It's been over 20 years, right, at least?

ERRIN BRIGGS: Uh, Venoco -- well, they went out of business shortly after the spill.

SUPERVISOR LEE: Right.

ERRIN BRIGGS: And the state has been working with prior owners. I think it was mostly ExxonMobil since that time to abandon Platform Holly and the onshore facilities.

SUPERVISOR LEE: It's still a work in progress, the Carpinteria Valley..

ERRIN BRIGGS: Yes.

SUPERVISOR LEE: Got it.

CHAIR CAPPS: I actually had a question for the Appellant. In the rebuttal, the applicant, Sable, characterized the spills as "small," and you spent a lot of time tracking oil companies and their infractions. Could you -- and again, central to our charge here today is to evaluate the skills, training, and resources, and whether or not they are necessary to comply with County codes. So could you characterize their skills that you've -- this is for you all, EDC. From what you've seen since we -- well, certainly since we last met in February -- could you put into context either the skills or the training that would lead to these kind of infractions that have led to the enforcement actions from the state and elsewhere?

TARA RENGIFO: Yes. And actually, Linda, would you want to join me up here, too, to respond to the other… Okay. So speaking specifically with regards to the regional Board and the Coastal Commission, that involved the repair work on the pipeline, which was for -- is that what you're referring to?

CHAIR CAPPS: Yes. So I know I kind of sprung this on you. So I'll just repeat. So again, 25B asks us to look at the skills, resources, and training to see if the Applicant can comply with County code. I'm just zoning in on the skills to see if they're necessary. And in rebuttal, they just mentioned that the spills that have happened that you've indicated were, quote, "small." So could you just put them in context so I can understand, since you, as an organization, track oil companies and their activities and their infractions?

TARA RENGIFO: Yeah. So the spills themselves -- I mean, again, this comes back to the whole of the evidence here that's before you. And the spills that we're talking about is just one piece of everything that we discussed today. The point is to show that before you've even made a decision if the permit should transfer and before they've even started operating, we already have examples of spills occurring at these facilities. And also violations of APCD's permit requirements. And it just is an indicator and evidence to show of whether or not they have the, quote, "necessary skills" to comply with their permits. It goes to that finding and is relevant to that finding. But again, I just want to emphasize that that is but one example of the way this company has operated within just the past few months and before even restarting these facilities. And I will let my colleague add on to that, too.

LINDA KROP: Thank you. Thank you for your question. I think that gets to the heart of the matter here. I've been doing this for over 30 years. Dealt with a lot of oil companies. I've never seen the kind of behavior as with this company. I've never seen -- I don't know if I've ever even seen a company with one cease-and-desist order letter, let alone three. Numerous notices of violation, a criminal complaint with 21 charges, including 5 felonies, an attorney general complaint, numerous violations of the State Water Code, and the State Fish and Game Code. I've never seen one. And this company is just racking them up. So I've never seen anything like this. And the Coastal Commission has said that at the town hall, that they've never seen a company operate so blatantly in disregard of the law and their cease-and-desist orders in their history. And they have a longer history than I do.

CHAIR CAPPS: So when it comes to what we're tasked with evaluating today -- when it comes to egregiousness, on a scale of 1 to 10, it would be a 10?

LINDA KROP: Yes.

CHAIR CAPPS: Got it. Thank you. Any further questions?

[03:40:00]

SUPERVISOR NELSON: Yeah, I think that begs a little bit of a question that I'd like to ask staff.

CHAIR CAPPS: Sure.

SUPERVISOR NELSON: About skills and training. So I think, Mr. Briggs, you've been out there quite a bit. And I want to be really careful here because there's a lot of people, especially these men and women in the room here that are the responsible parties for this. What's your assessment of this organization on the skills and training that's currently taking place from your experience for your decade-plus experience as a regulator in this field?

ERRIN BRIGGS: So Madam Chair and Supervisor Nelson, I have kind of two thoughts that would respond to your question. Number one, we -- on our team, we have an engineering -- I'm sorry, petroleum engineer who oversees the system safety features of these facilities. And he's been working here since the facility opened under ExxonMobil. So he has almost 40 years of experience. He's been working directly with Sable to go through all of the audit items for the facility to make sure that everything is operating properly prior to restart. And per our system safety committee, they have completed all the prior to restart items identified in the audit matrix. So they've successfully worked through all of those issues with his oversight. And then secondly, Sable was required to hold spill drills for both the pipeline facility and the SYU, and that's in concert with OSPR and the Fire Department and the EPA and all the relevant agencies, and they

successfully completed both of those exercises. So when it comes to the measurable safety-related and experience-related requirements of Sable, they've met both of those.

SUPERVISOR NELSON: Okay. And just to be fair to Sable, would you agree with staff -- with their assessment? Yes or no is fine. We don't need to litigate –

ERRIN BRIGGS: Absolutely.

SUPERVISOR NELSON: Okay. Thank you. That's all. All right.

CHAIR CAPPS: Okay. Any further questions from the Board? Supervisor Hartmann.

SUPERVISOR HARTMANN: Oh, just a question for staff. So were you out there monitoring as the modifications of the pipeline took place? Were you out there on a regular basis overseeing that?

ERRIN BRIGGS: Yes. So our petroleum engineer has a weekly site visit. He's out there two days a week. He's in constant contact with their staff as needed. So he's been at the facility essentially for the last three or four months.

SUPERVISOR HARTMANN: So how do you respond then to the other agencies' violations that they've recorded and are pursuing?

ERRIN BRIGGS: So Madam Chair and Supervisor Hartmann, the violation items are not necessarily related to Sable's ability to ensure the facilities are safe for operation. They're more decision-making violations, where --

SUPERVISOR HARTMANN: You can stop there.

ERRIN BRIGGS: Okay.

CHAIR CAPPS: Okay. I think, are we done with questions? So shall we move into deliberations? Sounds good. Anyone like to lead off? I mean, we've done this before. Anybody want to go?

SUPERVISOR LAVAGNINO: Sure.

CHAIR CAPPS: Supervisor Lavagnino.

SUPERVISOR LAVAGNINO: I always hit lead off. Who hit lead off for the Dodgers?

SUPERVISOR NELSON: Not my favorite team. Ohtani.

SUPERVISOR LAVAGNINO: Ohtani. Okay. All right. I'll be Ohtani today. All right. So as many of you know, I've been a strong supporter of Santa Barbara County's oil industry. For that, I've received plenty of nasty emails, letters to the editor, chastising me.

But my support has been rooted in two basic reasons. One is, this industry provides head of household jobs that create pathways out of poverty. Many of them do not require a college degree. Our North County oil and gas workers are able to buy homes and flip the script of generational poverty to generational wealth. And secondly, this County's in dire need of additional revenue, which allows us to provide the essential services to our constituents. Less oil revenue, regardless if you think $5 million is not that much, means less money spent on parks, roads, libraries and other priorities. So when I was getting ready for today's hearing, I don't think any of us slept great last night, my mind went back to 16 years ago when I sat with my wife and I told her I was interested in running for County Supervisor. But I didn't want to do it without her support. My wife hates politics. And she knew exactly what the job included, which was nights away from home, loss of privacy at the grocery store, and having every vote scrutinized by the public. But she said she was 100% supportive on one condition, and that was that I would always vote my conscience.

[03:45:00]

I would never back down to a crowded hearing room. I would simply do what I thought was right. And in February, that's what I did. I voted to approve the transfer of permits to Sable. I'm going to vote my conscience again today. But the landscape has changed dramatically since February. I take this job seriously, we all do, especially when we're sitting in a quasi-judicial hearing, when we assume the role of a judge examining and weighing the evidence. As has been stated many times today, this cannot be a political decision. It has to be rooted in examination of the ordinance. And after reviewing the ordinance very carefully, I simply cannot make the finding that quote, “Sable has the skills, training, and resources to operate the facility in compliance with the permit and all applicable county codes, and has demonstrated the ability to comply with compliance plans in 25B.” And this is what I based this on. To me, the following are facts, they are not emotions. Since February, Sable has been charged criminally 21 times, with 5 of those charges being felonies. And it's important to note for the record that these have not been adjudicated, but they are still part of the evidence. The California Coastal Commission levied an $18 million fine, the highest ever issued by the commission. And as many of you know, while I don't always agree with them, thus far the courts have backed them up. The Attorney General of the State of California has filed his own lawsuit. And the stock price is down over 80% off of its high in May. The final straw for me was a Hunterbrook article, which was as disturbing as anything I've read. The fallout from that recorded phone call has already been severe, and this is before regulators have weighed in. I have many friends in the oil industry, and I will continue to support efforts to access our natural resources, but it has to be done responsibly by operators who put safety above profits. To the employees here today, I've sat through many of these hearings, and I've supported you in the industry 100%. This decision today does not lay at the feet of this Board and this dais. It lays with the misguided management of Sable. In my opinion, they gave me no option. I'm not a rubber stamp. The evidence in this case is overwhelming. There is something wrong with the strategy of Sable's leadership. Trying to simply bulldoze through the permitting process has not been helpful, and it's not the way we expect businesses in Santa Barbara County to conduct themselves. Right or

wrong, oil is held to an even higher standard here. But without spilling a single drop of oil, Sable has managed to push back the reputation of the industry 20 years. If I was another Santa Barbara County gas and oil operator, I'd be livid. Sable's management actions have reeked of desperation, and with desperation comes poor decision-making. They've given me no choice but to uphold the appeal and find that if they have the skills, training, and resources to operate safely, they certainly have not yet demonstrated that to me. I'll be supporting the appeal.

CHAIR CAPPS: Okay. Thank you. Anyone would like to go next? Supervisor Hartmann?

SUPERVISOR HARTMANN: What more is there to say?

CHAIR CAPPS: I think that's right.

SUPERVISOR HARTMANN: We learned from the 2015 Refugio spill what happens when we relinquish responsibility. And 25B gives us findings that we must, that is we shall make, before we transfer a permit. And we clearly haven't been able to make those findings yet. And I won't repeat all the violations, but just add that there is an SEC complaint likely to be more. So I mean, I think that really goes to the financial capability of this company. It has to give us considerable pause about the resources that the company has available to meet its obligations. I'm very concerned about bankruptcies. They're very common in the energy sector, especially in oil. I did have some articles in the record that show that, um, a GAO study about the number of bankruptcies.

[03:50:00]

And I think we as a County have a duty as local government to protect the public health, safety, and safeguard the County's natural resources. That's what local government does. And that's what 25B does. And I don't think that responsibility is preempted by other legislation. None of us are insurance experts. But I would like, if we would pursue this, to hire a consultant who could hear our concerns and analyze the insurance policy. Because it's very complicated. And we know that insurance companies don't want to pay. And there's just many, many questions that aren't answered by this. And I think we haven't done a searching analysis on that. And it's really required. I don't really know, from what I've heard from staff today, exactly what the effect of not transferring the permit is. But I do believe that it helps to keep Exxon on the hook, both for spill and for abandonment if necessary. And I think that that's really important, given such a financially precarious company. So before I could make these findings, we would have to have those noncompliance issues resolved. We would have to have an insurance expert assess the policy. And at this time, quite frankly, I can't make the findings either, that there are the resources, skills and training to transfer this permit.

CHAIR CAPPS: Supervisor Lee?

SUPERVISOR LEE: I'll go next. So to Sable, so you owe our County Firefighters an apology. If you want to go after them, then you're wrong about that. So I just want to make sure that you understand. I'm not going to repeat what Joan and Steve said. I fully agree with you. I support the upholding of the appeals and that's it.

CHAIR CAPPS: Supervisor Nelson.

SUPERVISOR NELSON: Yes. Thank you. I'll be the contrarian today. First off, I don't think 25B is lawful and will ultimately hold up once we make a decision here. But just coming to my comments, by the logic that an operator with a history of spills and ongoing prosecution by the District Attorney is automatically deemed not a responsible party, that logic doesn't hold water with me. Ironically, not only is that true for Sable and Plains All-American Pipeline, that's also true for Santa Barbara County itself. Something often ignored by advocates is that we at the County have done the same thing. In fact, a far greater environmental damage was done by one of our local sanitation districts, which dumped seven times the amount of sewage in the Pacific Ocean than was released in the Gaviota oil spill. It's interesting how some will pick and choose their outrage. I feel bad for the public and for my colleagues. The public has been led to believe this denial today will somehow stop the restart, the operation of the offshore production, and that it will change the liability of Sable, Exxon, or OSPR, or change the future remediation requirements. I believe it will not. As for my colleagues, I feel for them, because I think they've also been painted somewhat into a corner here, as that this might be some type of litmus test on whether they care about the environment or not. Unfortunately, I believe, as I did back in February, that this is political theater. Much of this is operation of bad faith by a few. As I mentioned during our oil and gas discussions a couple weeks ago, I'll put my record of practically dealing with environmental impacts of oil and gas in our community up against anyone else in this room. Oil and gas operations and their environmental impacts have a disproportionate impact on my constituents. The simple truth is that the only way we will mitigate those impacts is by working with oil and gas companies in good faith, not against them. But it's clear in Santa Barbara County, that's difficult to-do. Local oil production has become a proxy war for a broader declared climate crisis. I support the transfer, and therefore I will vote against any motion to deny. Thank you.

CHAIR CAPPS: Thank you. I just wanted to thank the students from UCSB and Santa Barbara High. I actually think you've done an amazing job of understanding what we're actually voting on here today. It's incredibly narrow and complex, but your comments spoke exactly to the heart of the matter. Thank you for being here.

[03:55:00]

Supervisor Lavagnino, I really respect where you landed. I share your growing concerns. I expressed my concerns in February. They largely centered on the resources part of our charge with the 25B with the skills training and resources. I zeroed in on the insurance policy, really was concerned about the fact that the company existed due to a loan from the company that had sold it. To me that just… Anyway, enough has been said, but now

since February my concerns have only grown on the resources front, but my concerns on the skills due to all of the many violations that have been discussed that led the headlines, that have led state headlines, that have led state investigations, has grown. So I will be supporting the majority of the Board here in supporting the appeal. So with that we will take a motion. Supervisor Hartmann, would you like to do the honors? Yes.

SUPERVISOR HARTMANN: Well, I guess we have to come back with findings for denial, so maybe we can hear from County Counsel what that would entail.

CHAIR CAPPS: Yes, County Counsel.

COUNTY COUNSEL: Thank you, Madam Chair and members of the Board. So my recommendation would be today you would continue the item with direction staff to prepare the findings and then come back and I believe that the recommendation is December 16th.

CHAIR CAPPS: December 16th. So it would be findings for denial?

COUNTY COUNSEL: Correct.

CHAIR CAPPS: And that still is within the confines of the court?

COUNTY COUNSEL: Yes. Yes, it is.

CHAIR CAPPS: Just one second. Are we good? Okay.

CLERK: Yes, Madam Chair, we're good. So if someone would like to make a motion for the continuance and the direction to staff.

CHAIR CAPPS: Supervisor Lee would like to make the motion.

SUPERVISOR LEE: All right. I move to continue this hearing to December 16th with direction to staff to return with findings to approve the appeal and deny the change of owner, operator, and guarantor.

CHAIR CAPPS: Okay. And I will…I will…

SUPERVISOR HARTMANN: I will second.

CHAIR CAPPS: Okay. And we'll do a roll call vote please.

CLERK: Supervisor Lee.

SUPERVISOR LEE: Aye.

CLERK: Supervisor Lavagnino.

SUPERVISOR LAVAGNINO: Aye.

CLERK: Supervisor Hartmann.

SUPERVISOR HARTMANN: Aye.

CLERK: Supervisor Nelson.

SUPERVISOR NELSON: No.

CLERK: And Chair Capps.

SUPERVISOR NELSON: Aye.

CLERK: Motion passes four to one.

CHAIR CAPPS: Thank you. Okay. Thank you everybody. With that we will adjourn. I was just checking. And we will be back on November 18th in Santa Maria.

TRANSPERFECT

CERTIFICATION

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Target Language(s)	English

Authorized Signature:



Name: *Iria Castiñeiras Pérez*

Title: *Project Coordinator*

Date: *18-November-2025*

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EXHIBIT 15

AGREEMENT TO COMPLY WITH CONDITIONS OF APPROVAL

OWNER(S) and OPERATOR OF RECORD for the Las Flores Pipeline System, hereinafter referred to as the PROPERTY.

MONITORING AND REPORTING. This agreement is made to ensure that all conditions of approval for the All American Pipeline Project, Final Development Plan 88-DPF-033 (RV01)z, 88-CP-60](RV01) [88-DPF-25cz; 85-DP-66CZ; 83-PD-25cz} are complied with and that all monitoring and reporting actions required of the OWNER(S) / OPERATOR OF RECORD shall be fulfilled.

OWNER(S) and OPERATOR OF RECORD hereby agrees to allow the County or its representatives onto the PROPERTY, beginning at APN 081-220-014 to monitor and ensure compliance with all conditions of approval and/or to gather information relevant for reporting purposes and compliance with the conditions of approval.

FEES. The OWNER(S) and OPERATOR OF RECORD understands and agrees that they shall promptly pay all fees for monitoring compliance or enforcing conditions as required by conditions of the Final Development Plan.

PENALTIES FOR NON-COMPLIANCE. OWNER(S) and OPERATOR OF RECORD acknowledges that the County of Santa Barbara retains the right to bring any action which it determines is necessary to require compliance by OWNER with all conditions of approval. The County of Santa Barbara further retains the right to seek all remedies and sanctions for non-compliance, either criminal or civil, as may be provided for by law.

By signing this document, the OWNER(S) / OPERATOR OF RECORD agrees to comply with all conditions of approval.

I (WE) accept and agree to all terms, restrictions and obligations set forth in this agreement either expressly or by reference and incorporation.

Executed on the 14 day of MARCH, 2024.

OWNER OF RECORD

By B. Lance Yearwood

B. Lance Yearwood
Vice President
Pacific Pipeline Company

OPERATOR OF RECORD

By J. Caldwell Flores

J. Caldwell Flores
President
Sable Offshore Corp.

AGREEMENT TO COMPLY WITH CONDITIONS OF APPROVAL

OWNER(S) and OPERATOR OF RECORD for the Pacific Offshore Pipeline Company, hereinafter referred to as the PROPERTY.

MONITORING AND REPORTING. This agreement is made to ensure that all conditions of approval for the POPCO Gas Plant Expansion Project, Final Development Plan Permit 93-FDP-015 and 74-CP-II (RVI) are complied with and that all monitoring and reporting actions required of the OWNER(S) / OPERATOR OF RECORD shall be fulfilled.

OWNER(S) and OPERATOR OF RECORD hereby agrees to allow the County or its representatives onto the PROPERTY, at 12000 Calle Real, Goleta CA 93117 to monitor and ensure compliance with all conditions of approval and/or to gather information relevant for reporting purposes and compliance with the conditions of approval.

FEES. The OWNER(S) and OPERATOR OF RECORD understands and agrees that they shall promptly pay all fees for monitoring compliance or enforcing conditions as required by conditions of the Final Development Plan.

PENALTIES FOR NON-COMPLIANCE. OWNER(S) and OPERATOR OF RECORD acknowledges that the County of Santa Barbara retains the right to bring any action which it determines is necessary to require compliance by OWNER with all conditions of approval. The County of Santa Barbara further retains the right to seek all remedies and sanctions for non-compliance, either criminal or civil, as may be provided for by law.

By signing this document, the OWNER(S) / OPERATOR OF RECORD agrees to comply with all conditions of approval.

I (WE) accept and agree to all terms, restrictions and obligations set forth in this agreement either expressly or by reference and incorporation.

Executed on the _____ day of _____, 2024.

OWNER OF RECORD

By _____

William S. Flores
Vice President
Pacific Offshore Pipeline Company

OPERATOR OF RECORD

By _____

J. Caldwell Flores
President
Sable Offshore Corp.

AGREEMENT TO COMPLY WITH CONDITIONS OF APPROVAL

OWNER(S) and OPERATOR OF RECORD for the Santa Ynez Unit, hereinafter referred to as the PROPERTY.

MONITORING AND REPORTING. This agreement is made to ensure that all conditions of approval for the ExxonMobil Santa Ynez Unit Expansion Project, Final Development Plan 87-DP-32cz (Modified on July 25, 2001 with 87-DP-032cz (RV05) Synergy Project) (Modified on February 19, 2003 with 87-DP-032cz (RV06) Offshore Power Cable Repair & Enhancement Project) are complied with and that all monitoring and reporting actions required of the OWNER(S) / OPERATOR OF RECORD shall be fulfilled.

OWNER(S) and OPERATOR OF RECORD hereby agrees to allow the County or its representatives onto the PROPERTY, at 12000 Calle Real, Goleta CA 93117 to monitor and ensure compliance with all conditions of approval and/or to gather information relevant for reporting purposes and compliance with the conditions of approval.

FEES. The OWNER(S) and OPERATOR OF RECORD understands and agrees that they shall promptly pay all fees for monitoring compliance or enforcing conditions as required by conditions of the Final Development Plan.

PENALTIES FOR NON-COMPLIANCE. OWNER(S) and OPERATOR OF RECORD acknowledges that the County of Santa Barbara retains the right to bring any action which it determines is necessary to require compliance by OWNER with all conditions of approval. The County of Santa Barbara further retains the right to seek all remedies and sanctions for non-compliance, either criminal or civil, as may be provided for by law.

By signing this document, the OWNER(S) / OPERATOR OF RECORD agrees to comply with all conditions of approval.

I (WE) accept and agree to all terms, restrictions and obligations set forth in this agreement either expressly or by reference and incorporation.

Executed at on the _____ day of _____, 2024.

OWNER and OPERATOR

By _____ Date 03-14-2024

J. Caldwell Flores
President
Sable Offshore Corp.

EXHIBIT 16

State of California – Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
Office of Spill Prevention and Response
P.O. Box 944209
Sacramento, CA 94244-2090
Telephone: (916) 327-9943
www.wildlife.ca.gov/ospr

GAVIN NEWSOM, Governor
CHARLTON H. BONHAM, Director

March 26, 2025

Pacific Pipeline Company
Lance Yearwood
1200 Calle Real
Goleta, CA 93117

Dear Lance Yearwood:

Your California Facility Oil Spill Contingency Plan has been reviewed for compliance with Title 14, California Code of Regulations, Subchapter 3, §§ 815, 816, and 817. Based on this review the following plan is approved:

Pacific Pipeline Company **Plan Number: CA-00-7217**
Integrated Contingency Plan
Las Flores Canyon Response Zone

A copy of this letter should be kept on all facilities covered by this contingency plan. **This approval expires on March 26, 2030.**

Your California Oil Spill Contingency Plan must be kept current. Information on California's Oil Spill Contingency Plan requirements can be found on the Department of Fish and Wildlife website at: https://wildlife.ca.gov/OSPR/RCPU/Facility-Contingency-Plans.

Contingency plan revisions and questions regarding contingency plan requirements can be sent to facilitycplans@wildlife.ca.gov.

Drills and Exercises
Facility contingency plans must be exercised annually in accordance with OSPR's Drills and Exercises requirements, described in 14 CCR § 820.1. Per the acknowledgment letter issued for this plan on **April 16, 2024**, your annual exercise cycle began in **2024.** The frequency and scheduling requirements of § 820.1 are summarized in the table below. Please refer to § 820.1 to determine the requirements for drills and exercises as applicable to this contingency plan. If you are relying on plan holder-owned equipment for on-water containment and recovery, a semi-annual equipment deployment drill is also required.

The Drills and Exercises regulations, drill coordinator contact information, state-wide drill calendar, regulatory forms, and job aids are available at: https://wildlife.ca.gov/OSPR/Drills-Exercises. Questions concerning the Drills and Exercises program should be directed to osprdrills@wildlife.ca.gov.

Event	Frequency	Scheduling Requirements
Tabletop Exercises	1 per calendar year 820.1(b)(1)	60 calendar day notice 820.1(i)(1)
Equipment Deployment Drills	A drill must be conducted in the first six months of the calendar year (January 1 through June 30) 820.1(b)(2)	30 calendar day notice 820.1(i)(1)

Certified Spill Management Teams
Contingency plans must identify a spill management team (SMT) that is certified to manage a response to the reasonable worst-case spill (RWCS) volume listed in the plan (14 CCR § 830.1(a)(2)). The certified SMT must maintain a current certification for your contingency plan to remain valid. For more information on SMT certification, refer to the OSPR's SMT website: https://wildlife.ca.gov/OSPR/RCPU/Spill-Management-Teams.

Public Review of Contingency Plans
As a reminder, contingency plans submitted to OSPR must be open to public review. [Gov. C. § 8670.28(e)] A plan holder may submit two versions of their contingency plan. One version of the plan must disclose all information needed for OSPR to verify compliance with the regulations. The plan holder may submit a second version depicting redactions of any sensitive information that the plan holder believes should not be for public disclosure. The redacted plan is the version intended for public review. The process for designating confidential information is fully explained in section 790.3 of CCR Title 14. As explained in section 790.3, each redaction must be supported with a justification indicated as to why the information is sensitive. The justification must clearly and distinctly identify each paragraph, sentence, number, data, map, photograph, or other item, and provide the specific legal authority for each item that the person believes should be withheld from public disclosure. However, OSPR ultimately decides what information must be publicly disclosed pursuant to the California Public Records Act, an order by a Court, or other required disclosure.

We appreciate your efforts to maintain the safety of California's environment. If you have any questions regarding this approval, please contact us at facilitycplans@wildlife.ca.gov.

Sincerely,

David Reinhard
Chief of Preparedness
Office of Spill Prevention and Response
Department of Fish and Wildlife

Send to: Plan holder contact
Cc: R. Fabian, FRT supervisor, Reviewer, OSPR SMT, OSPR D&E

State of California – Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
Office of Spill Prevention and Response
P.O. Box 944209
Sacramento, CA 94244-2090
Telephone: (916) 327-9943
www.wildlife.ca.gov/ospr

GAVIN NEWSOM, Governor
CHARLTON H. BONHAM, Director

March 26, 2025

Sable Offshore Corporation
Patrice Surmeier
12000 Calle Real
Goleta, CA 93117

Dear Patrice Surmeier:

Your California Facility Oil Spill Contingency Plan has been reviewed for compliance with the California Code of Regulations Title 14, Subchapter 3, Sections 815, 816, and 817. Based on this review the following plan is approved:

Sable Offshore Corporation **Plan Number: CA-00-7239**
Pacific Region Oil Spill Response Plan

A copy of this letter should be kept on all facilities covered by this contingency plan. **This approval expires on March 26, 2030.**

Your California Oil Spill Contingency Plan must be kept current. Information on California's Oil Spill Contingency Plan requirements can be found on the Department of Fish and Wildlife website at: https://wildlife.ca.gov/OSPR/RCPU/Facility-Contingency-Plans.

Contingency plan revisions and questions regarding contingency plan requirements can be sent to facilitycplans@wildlife.ca.gov.

Drills and Exercises
Facility contingency plans must be exercised annually in accordance with OSPR's Drills and Exercises requirements, described in 14 CCR § 820.1. Per the acknowledgment letter issued for this plan on **June 24, 2024**, your annual exercise cycle began in **2024.** The frequency and scheduling requirements of § 820.1 are summarized in the table below. Please refer to § 820.1 to determine the requirements for drills and exercises as applicable to this contingency plan. If you are relying on plan holder-owned equipment for on-water containment and recovery, a semi-annual equipment deployment drill is also required.

The Drills and Exercises regulations, drill coordinator contact information, state-wide drill calendar, regulatory forms, and job aids are available at: https://wildlife.ca.gov/OSPR/Drills-Exercises. Questions concerning the Drills and Exercises program should be directed to osprdrills@wildlife.ca.gov.

Event	Frequency	Scheduling Requirements
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Certified Spill Management Teams
Contingency plans must identify a spill management team (SMT) that is certified to manage a response to the reasonable worst-case spill (RWCS) volume listed in the plan (14 CCR § 830.1(a)(2)). The certified SMT must maintain a current certification for your contingency plan to remain valid. For more information on SMT certification, refer to the OSPR's SMT website: https://wildlife.ca.gov/OSPR/RCPU/Spill-Management-Teams.

Public Review of Contingency Plans
As a reminder, contingency plans submitted to OSPR must be open to public review. [Gov. C. § 8670.28(e)] A plan holder may submit two versions of their contingency plan. One version of the plan must disclose all information needed for OSPR to verify compliance with the regulations. The plan holder may submit a second version depicting redactions of any sensitive information that the plan holder believes should not be for public disclosure. The redacted plan is the version intended for public review. The process for designating confidential information is fully explained in section 790.3 of CCR Title 14. As explained in section 790.3, each redaction must be supported with a justification indicated as to why the information is sensitive. The justification must clearly and distinctly identify each paragraph, sentence, number, data, map, photograph, or other item, and provide the specific legal authority for each item that the person believes should be withheld from public disclosure. However, OSPR ultimately decides what information must be publicly disclosed pursuant to the California Public Records Act, an order by a Court, or other required disclosure.

We appreciate your efforts to improve the safety of California's environment. If you have any questions regarding this approval, please contact us at facilitycplans@wildlife.ca.gov.

Sincerely,



David Reinhard
Chief of Preparedness
Office of Spill Prevention and Response
Department of Fish and Wildlife

Send to: Plan holder contact
Cc: R. Fabian, FRT supervisor, Reviewer, OSPR SMT, OSPR D&E

EXHIBIT 17

Planning and Development
Lisa Plowman, Director
Jeff Wilson, Assistant Director
Elise Dale, Assistant Director

September 4, 2024 *VIA EMAIL*

J. Caldwell Flores
President
Pacific Pipeline Company
845 Texas Ave. Suite 2920
Houston, TX 77002

Mr. Flores,

Santa Barbara County Department of Planning and Development has received your August 30, 2024 notice regarding Pacific Pipeline Company's ("PPC") revisions to the sixteen (16) safety valves and their ancillary equipment for MOV1-210P, MOV1-220P, MOV1-610P, CHK1-710P, MOV1-790P, MOV1-890P, MOV1-990P, CHK2-610P, MOV2-690P, MOV2-1010P, CHK2-1110P, MOV2-1190P, MOV2-1290P, CHK3-210P, MOV3-290P, and CHK3-490P.

The Settlement Agreement in *Celeron Pipeline Company of California v. County of Santa Barbara* (Case No. CV 87-02188) ("Celeron Agreement") documented that federal law preempts the County in the field of pipeline safety regulation and safety oversight as it relates to the Las Flores Pipeline System ("Pipeline") The Celeron Agreement presumes the County is preempted when the activity to be performed is one foot or more below the surface of the ground and related to the design, construction, or operation of an interstate pipeline.

Under the Celeron Agreement and federal law, the County recognizes it has limited jurisdiction to require a permit to operate the Pipeline unless the Final Development Plan Conditions specifically set forth that jurisdiction. The County confirms it does not have permit authority or jurisdiction over the sixteen (16) safety valves and their ancillary equipment as currently proposed because they are safety valves required by state law, related to the operation of an interstate Pipeline, and one foot or more underground. We understand the Pipeline remains subject to regulation by the Office of State Fire Marshal and that you will be working closely with that office on installation and testing of the safety valves, as well as implementing a number of integrity-related improvements required by that office.

This is not a permit exemption nor a Director decision on the meaning or applicability of the provisions of the County's Zoning Ordinances. This letter serves to respond to your request to acknowledge existing preemption under federal law and the Celeron Agreement.

Sincerely,



Errin Briggs
Deputy Director, Energy Minerals & Compliance Division
Planning & Development
County of Santa Barbara

EXHIBIT 18

padre associates, inc.
ENGINEERS, GEOLOGISTS & ENVIRONMENTAL SCIENTISTS

AQUATIC RESOURCE DELINEATION REPORT

LAS FLORES PIPELINES CA-324 AND CA-325 REPAIR AND MAINTENANCE PROJECT

at

Unnamed Tributary to the Cuyama River, San Luis Obispo County and Unnamed Tributaries to Nojoqui Creek, Peterson Creek, and Foxen Canyon, Santa Barbara County

Prepared for:

Pacific Pipeline Company (Sable Offshore Corp.)
845 Texas Avenue, Suite 2900
Houston, TX 77002

Prepared by:

Padre Associates, Inc.
1861 Knoll Drive
Ventura, CA 93003

January 2025

Project No. 2402-5021

EXECUTIVE SUMMARY

This Aquatic Resource Delineation Report (Report) has been prepared to document our findings during site evaluations performed at four (4) locations along the Las Flores Pipelines CA-324 and CA-325. Following pipeline repair and maintenance activities, the California Department of Fish and Wildlife (CDFW) conducted an aerial and ground survey of the Las Flores Pipelines and issued a notice, dated December 17, 2024, of potential Fish and Game Code (FGC) violations for work performed without proper notification. CDFW claims jurisdiction over the bed, bank, and channel of drainage features with regard to activities regulated under FGC Section 1602. CDFW staff generally interpret the jurisdictional area to include any riparian vegetation on or immediately adjacent to the bank. Our evaluations of each Site included conducting a follow-up biological survey and suggested delineation of FGC Section 1602 jurisdiction based on our professional experience and opinion.

This aquatic resource delineation was also conducted in accordance with the *Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region* (U.S. Army Corps of Engineers [USACE], 2008) and the Routine Wetland Method described in the *1987 Corps of Engineers Wetland Delineation Manual* (Environmental Laboratory, 1987). In addition, *A Field Guide to the Identification of the Ordinary High Water Mark (OHWM) in the Arid West Region of the Western United States* (Lichvar and McColley, 2008) was used to identify the ordinary high water marks at each location.

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ACRONYMS AND ABBREVIATIONS

CDFW	California Department of Fish and Wildlife
FAC	Facultative plant species
FACU	Facultative-Upland plant species
FACW	Facultative-Wetland plant species
OBL	Obligate wetland plant species
OHWM	Ordinary high water mark
NRCS	Natural Resources Conservation Service
SWRCB	State Water Resources Control Board
USACE	U.S. Army Corps of Engineers
USGS	United States Geologic Survey

1.0 INTRODUCTION

1.1 CONTACT INFORMATION

Project Applicant:

Pacific Pipeline Company (Sable Offshore Corp.)
Contact: Lance Yearwood, Vice President
Address: 845 Texas Avenue, Suite 2900
Houston, TX 77002
Phone: 713-579-8118

Property Owners:

California Department of Fish and Wildlife (APN 094-401-004)
Contact: Available upon request from Sable.
Address: Available upon request from Sable.

Mathis Gaviota Ranch LP (APN 083-330-032)
Contact: Available upon request from Sable.
Address: Available upon request from Sable.

Buellton Ranch LP (APN 099-400-069)
Contact: Available upon request from Sable.
Address: Available upon request from Sable.

Flood Ranch Company (APN 133-070-027)
Contact: Available upon request from Sable.
Address: Available upon request from Sable.

1.2 REPORT PURPOSE

Padre Associates, Inc. (Padre) has prepared this Aquatic Resource Delineation Report (Report) for four (4) locations (Project Sites) along the Las Flores Pipelines CA-324 and CA-325, in San Luis Obispo and Santa Barbara Counties, California. Following pipeline repair and maintenance activities, the California Department of Fish and Wildlife (CDFW) conducted an aerial and ground survey of the Las Flores Pipelines and issued a notice, dated December 17, 2024, of potential Fish and Game Code (FGC) violations for work performed without proper notification. The purpose of this Report is to identify and describe aquatic resources in support of any after-the-fact permitting requirements according to Fish and Game Code 1602, Clean Water Act Sections 404 and 401, and/or Waste Discharge Requirements (WDR) under the Porter-Cologne Water Quality Control Act, as a result of completed pipeline repair and maintenance activities, and proposed onsite restoration activities at these locations. This Report provides:

- Project background information
- Project description
- Aquatic resource boundary determinations

- Estimates of impacts to FGC 1602 jurisdiction.
- Estimates of impacts to wetland and non-wetland waters of the U.S. and State to verify compliance with Nationwide Permit and Section 401 Water Quality Certification, or WDR limitations.
- A follow-up biological evaluation of each site in regard to sensitive habitats and wildlife species.

2.0 LOCATION

The Project Sites described herein are within or adjacent to an unnamed tributary to the Cuyama River, in San Luis Obispo County, and unnamed tributaries to Nojoqui Creek, Peterson Creek, and Foxen Canyon, in Santa Barbara County. The four locations evaluated are as follows:

- Site R4-1: Unnamed Tributary to Cuyama River, Carrizo Plain Ecological Reserve, immediately north of SR166 (35.059463°, -119.933144°)
- Site R5-1: Unnamed Tributary to Nojoqui Creek, immediately west of Hwy 101 (34.573883°, -120.195670°)
- Site R5-2: Unnamed Tributary to Peterson Creek, Buellton Ranch (34.627952°, -120.200412°)
- Site R5-3: Unnamed Tributary to Foxen Canyon (aka, Asphaltum Creek) (34.807230°, -120.192000°)

A fifth location was described in the December 17, 2024 CDFW notice (Site R5-4: Sisquoc River [34.845451°, -120.218091°]), but was deemed not part of any activities conducted by Sable or its contractors, and therefore was not part of Padre's evaluation.

3.0 PROJECT BACKGROUND

3.1 LAS FLORES PIPELINES CA-324, CA-325A, AND CA-325B

The Las Flores Pipeline system is a common carrier pipeline system consisting of approximately 122 linear miles of pipeline segments identified as CA-324, CA-325A, and CA-325B. CA-324 is a 24-inch diameter pipeline designed to transport crude oil approximately 10.9 miles from the Las Flores Station to the Gaviota Station along the Gaviota Coast. CA-325A is a 30-inch diameter pipeline designed to transport crude oil approximately 61.7 miles from the Gaviota Station to the Sisquoc Station, where it is renamed CA-325B, and travels the remaining approximately 49.4 miles through the Sierra Madre Mountains and Cuyama Valley to the Pentland Station. Numerous named and unnamed drainage features or their tributaries are present along this pipeline route.

4.0 PROJECT DESCRIPTION

4.1 PROJECT PURPOSE

Pipeline anomaly and other repair or maintenance needs were identified along the Las Flores Pipeline, and repairs were initiated in 2024 to bring the pipeline system back to operational

standards. Surface excavations were required at the Project Sites to expose and repair each pipeline anomaly.

4.2 PROJECT ACTIVITIES

Each anomaly location was excavated to expose the pipeline, with the surface soil stockpiled nearby. Depending on the depth of each excavation, the slopes above the pipeline were benched back and fortified with a steel trench box. Where deemed necessary, silt fence was placed along the Project Site margins to delineate the work area boundary and minimize or avoid impacts to the adjacent drainage. Upon completion of each repair, the trench box was removed, and the work location was backfilled and recontoured with the stockpiled material. The recontoured slopes were then dressed with a native hydroseed mix and straw wattles. At the time this delineation was performed, all recontouring and most BMP installations were completed.

4.3 EQUIPMENT

Equipment used to conduct the pipeline repairs included excavators, skip loaders, small dozers, trench boxes, water trucks, pipeline repair materials, a hydroseed truck, trailer-mounted water buffalo, and passenger trucks.

4.4 TIMING

It is our understanding that maintenance activities were conducted during the dry season when surface flows were absent.

5.0 METHODOLOGY

Prior to the field delineation, Padre conducted a literature review to determine the general character of the repair locations, and to identify potential areas of concern. Documents and resources reviewed included aerial imagery, pre-activity photography, U.S. Geological Survey 7.5-minute topographic maps, National Wetland Inventory mapper website, National Hydrography Dataset, and the Natural Resources Conservation Service web soil survey. The fieldwork for the delineation was conducted by Padre Associates Senior Project Manager/Biologist Chris Dunn on Friday, December 20, 2024. The fieldwork also included a biological evaluation of each location conducted by Mr. Dunn. Mr. Dunn has over 25 years of professional biological consulting experience, and routinely conducts biological resource assessments and jurisdictional delineations for project permit applications and notifications throughout central and southern California. Results from the biological evaluations are also contained herein.

This aquatic resource delineation was conducted using the *Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region* (U.S. Army Corps of Engineers, 2008) and the Routine Wetland Method described in the *1987 Corps of Engineers Wetland Delineation Manual* (Environmental Laboratory, 1987). These manuals require that, under normal circumstances, an area possess three technical criteria (parameters) to be designated as a jurisdictional wetland. These criteria are prevalence of hydrophytic vegetation, presence of hydric soils, and wetland hydrology.

Sample transects were established at each location to facilitate identification and mapping of the Ordinary High-Water Mark (OHWM) and any adjacent or in-channel wetlands. The transect and sample point location was mapped on an aerial photograph (1” = 20’ to 1” = 80’). The

vegetation, soil, and hydrology were examined at all sample points. In areas that clearly supported only ephemeral drainage features lacking in wetland features (described in more detail below), work focused on mapping the extent of the OWHM and the top-of-bank or other notable topographical break in slope, and to describe the biological features and sediment characteristics present at that location. Notable biological features included mapping the outer extent of riparian or otherwise adjacent vegetation that may extend past the top-of-bank. Since these areas were visited post-disturbance, the OHWM and top-of-bank were derived by matching the contours with undisturbed reaches of the channel both upstream and downstream of each Project Site.

5.1 JURISDICTION

5.1.1 Waters of the U.S. (WOTUS)

In non-tidal waters, the lateral extent of USACE jurisdiction (i.e., Waters of the U.S. [WOTUS]) is determined by the ordinary high water mark which (OHWM) is defined as the: "…*line on the shore established by the fluctuations of water and indicated by physical characteristics such as clear, natural line impressed on the bank, shelving, changes in the character of soil, destruction of terrestrial vegetation, the presence of litter and debris, or other appropriate means that consider the characteristics of the surrounding areas."* (33 CFR 328.3(c)7). Adjacent wetlands to waters are also considered jurisdictional, which are defined as ones that: "abut, meaning to touch at least at one point of, a water…in a typical year" (33 CFR 328.8(c)1(i)).

The U.S. Environmental Protection Agency (EPA) and USACE issued a Revised Definition of waters of the United States that aimed to establish a durable definition of Waters of the U.S. based on pre-2015 regulations, relevant Supreme Court decisions, the science, and the agencies' technical expertise. The Revised Definition became effective March 20, 2023, but on September 8, 2023, the EPA and USACE amended the Revised Definition to conform with a recent Supreme Court decision in the case of *Sackett v. Environmental Protection Agency* (Sackett). Federal regulation concerning tributaries and adjacent wetlands has recently been revised in an amended Revised Definition of Waters of the United States, revised to conform with the Sackett decision (Conforming Rule) (U.S. Army Corps of Engineers and U.S. Environmental Protection Agency, 2023).

Under the Conforming Rule, tributaries that meet the relatively permanent standard are jurisdictional under the Clean Water Act as waters of the U.S. In implementing the relatively permanent standard, agencies draw key concepts from the 2020 Navigable Waters Protection Rule (NWPR) interpretation but modify the NWPR approach to ensure the term '*relatively permanent standard'* can be practically implemented. Specifically, the relatively permanent standard encompasses surface waters that have flowing or standing water year-round or continuously during certain times of the year. Relatively permanent waters do not include surface waters with flowing or standing water for only a short duration in direct response to precipitation (ACOE and EPA, 2023). Within this Report, the drainages were evaluated based on flow regime (perennial, intermittent, and ephemeral) as shown in the National Hydrography Dataset (USGS, 2024) in combination with field observations to compare against the relatively permanent standard to determine Federal jurisdiction. Where present, the OHWM was identified at each location and the width within the OHWM was recorded at each transect across each drainage. Adjacent wetlands or wetlands within an OHWM were also identified where all three wetland indicator parameters were found.

5.1.2 Waters of the State (WOTS)

The State Water Resources Control Board (SWRCB) defines "waters of the state" (WOTS) broadly to include "any surface water or groundwater, including saline waters, within the boundaries of the state." "Waters of the state" includes all "waters of the U.S." The SWRCB State Wetland Definition and Procedures (adopted April 2, 2019, effective May 2020) explicitly indicate that they will rely on a Final Aquatic Resource Delineation Report verified by the USACE for the purposes of determining the extent of Waters of the U.S. The SWRCB Implementation Guidance (May 2020) document outlines the California Code of Regulations that states that all Waters of the U.S. are also Waters of the State (to include all current and historic definitions of waters of the U.S.). The jurisdictional framework outlined in the Implementation Guidance discusses aquatic features that do not meet the definition of a wetland but may still be a different type of aquatic feature that may still be regulated as a non-wetland Water of the State. Notably, the Procedures do not include guidance for jurisdictional determinations for other (non-wetland) Waters of the State (e.g., lakes or streams).

The Procedures and Implementation Guidance explicitly states that there is no definition or delineation method for identifying non-wetland Waters of the State. Thus, for the purposes of this Report, the OHWM within small order streams with relatively vertical banks typically delineates both Waters of the U.S. and Waters of the State. For pond or basin features, the observed high-water mark, or the elevation of an outlet spillway or weir (if present), whichever was greater, would be considered the OHWM and represents the boundary for both Waters of the U.S. and Waters of the State. Conversely, ephemeral drainages that are preliminarily determined to be outside of Federal jurisdiction may still be considered a Waters of the State.

5.1.3 California Fish and Game Code Section 1602 Jurisdiction

The California Department of Fish and Wildlife (CDFW) administers several laws and programs designed to protect fish and wildlife resources in the State of California, including Section 1602 of the California Fish and Game Code, which requires a Lake or Streambed Alteration Agreement between CDFW and any state or local governmental agency or public utility before the initiation of any construction project that will:

- Substantially divert, obstruct, or change the natural flow or the bed, channel, or bank of any river, stream, or lake;
- Use materials from a streambed; or
- Result in the disposal or deposition of debris, waste, or other material containing crumbled, flaked, or ground pavement where it can pass into any river, stream, or lake.

Therefore, the CDFW claims jurisdiction over the bed, bank, and channel of drainage features with regard to activities regulated under Section 1602 of the California Fish and Game Code. CDFW staff generally interpret the jurisdictional area to include any riparian vegetation on or immediately adjacent to the bank.

5.2 HYDROPHYTIC VEGETATION

To determine the predominance of hydrophytic vegetation, dominant plant species within each stratum (tree, sapling/shrub, herbaceous, and woody vine) at the sample point location were identified using standard taxonomic references (Baldwin et. al., 2012). The hydrophytic indicator status of the species was determined in accordance with the *2022 National Wetland Plant List* -

Arid West Region (USACE, 2023) as facultative (FAC), facultative-wetland (FACW) or obligate (OBL) wetland species. Some facultative-upland (FACU) species may also be functioning as hydrophytes if morphological adaptations such as adventitious roots and shallow root systems have been developed. The vegetation was then analyzed using the dominance test to determine if greater than 50 percent of the dominant species were hydrophytic and the prevalence index calculation to determine if the prevalence index was less than or equal to 3.0.

5.3 SOILS

At each sample plot location, at least one soil pit is typically excavated to a depth of approximately 18 inches below ground surface (bgs), where possible, to determine the extent of saturation and to examine the soil for evidence of wetland hydrology. Once the pit is excavated, a soil sample is obtained from below the A horizon, approximately 10 inches below ground surface (bgs), and examined for evidence of redoximorphic characteristics, such as low matrix chroma, gleying, and/or mottling resulting from anaerobic conditions. After moistening, the soil color is determined using Munsell soil color charts (Munsell Color, 2022). Soil texture is evaluated using field methods described by the USACE (Environmental Laboratory, 1987). The characteristics of the soils are then compared against descriptions of soil-mapping units detailed in the Natural Resources Conservation Service Web Soil Survey (NRCS, 2024). Due to the previously disturbed condition of each Project Site either by cattle trampling or pipeline right-of-way recontouring activities, only a visual assessment of surface soil conditions was conducted during this evaluation.

5.4 WETLAND HYDROLOGY

Hydrologic characteristics of the sample points were evaluated by identifying evidence of inundation, free water in the soil pit or other in-channel depressions (e.g., cattle hoof marks), soil saturation, and sediment deposits in the streambed, drift deposits along the stream bank, biotic crust, local drainage patterns, oxidized root channels in the upper 12 inches of the soil, and/or surface soil cracking.

6.0 EXISTING CONDITIONS

6.1 LANDSCAPE SETTING

The subject sites are located on various ephemeral or intermittent drainages in the coastal to inland low-elevation mountain ranges of central and northern Santa Barbara County to southeast San Luis Obispo County. All four sites are on open ranches or natural preserve lands. All four drainages are small order, unnamed features that are tributaries to larger, intermittent or perennial creeks or rivers.

Site R4-1 is located on an unnamed, ephemeral drainage which is a tributary to Cuyama River, northwest of New Cuyama, California. Cuyama River is a tributary to the Santa Maria River, which eventually drains to the Pacific Ocean, west of Guadalupe, California. Site R5-1 is located on an unnamed, intermittent drainage, which is a tributary to Nojoqui Creek, south of Buellton, California. Nojoqui Creek is a tributary to the Santa Ynez River, which eventually drains to the Pacific Ocean, west of Lompoc, California. Site R5-2 is located on an unnamed, ephemeral drainage which is a tributary to Peterson Creek, north of Buellton, California. Peterson Creek is a

tributary to the Santa Ynez River, meeting its confluence west of Buellton, California. Site R5-3 is located on an unnamed, intermittent drainage, which is a tributary to Foxen Canyon Creek (aka, Asphaltum Creek), of which itself is a tributary to the Santa Maria River, southwest of Sisquoc, California. Elevations of the Project sites range from 530 to 1,580 feet above sea level.

6.2 VEGETATION

Vegetation at or adjacent to the Project Sites varies depending on location and is classified below according to California Native Plant Society (CNPS) Manual of California Vegetation Online (https://vegetation.cnps.org/), along with their State and Global Rarity Ranks, where applicable. All four sites are typically characterized predominantly by annual grassland with various adjacent, or partially overlapping scrub-shrub and oak savannah vegetation communities. Small, isolated stands of riparian vegetation are present upstream of Sites R5-1 and R5-3, where saturated soil conditions support mulefat (*Baccharis salicifolia*) or arroyo willow (*Salix lasiolepis*) thickets, respectively. Each of the four sites and their surroundings are impacted by current or past ranching activities.

Vegetation at Site R4-1 (Unnamed Tributary to Cuyama River) is considered degraded Allscale Saltbush (*Atriplex polycarpa*) Scrub (S4G4 [apparently secure]), mixed with Wild Oats and Annual Brome (*Avena* and *Bromus* spp.) Grasslands (SNA/GNA [not applicable]), located within a historical at-grade crossing that traverses diagonally across the ephemeral drainage. Dry, bare ground is evident in the channel bottom immediately upstream and downstream of the Project Site. Nodding needlegrass (*Stipa cernua*) was also commonly observed throughout the area. Past ranching activities and equipment (relict stock tanks) and an existing two-track unpaved access road are present at this location. Grass seedlings were observed emerging in the recontoured Project Site.

Vegetation at Site R5-1 (Unnamed Tributary to Nojoqui Creek) is considered Wild Oats and Annual Brome (*Avena* and *Bromus* spp.) Grasslands (SNA/GNA [not applicable]) directly at the pipeline right-of-way, but is contiguous with Mulefat Thicket (S4G5 [apparently secure/demonstrably secure]) immediately upstream of the Project Site. Valley Oak (*Quercus lobata*) Woodland (S3G3 [vulnerable]) is adjacent to the Project Site, with the nearest valley oak tree located approximately 30 feet to the northeast. Current ranching activities were evident in the form of cattle tracks in the wetted channel upstream of the Project Site. Grass seedlings were observed emerging in the recontoured Project Site.

Vegetation at Site R5-2 (Unnamed Tributary to Peterson Creek) is considered Coyote Brush (*Baccharis pilularis*) Scrub (S5G5 [demonstrably secure]) and Wild Oats and Annual Brome (*Avena* and *Bromus* spp.) Grasslands (SNA/GNA [not applicable]). Dry, bare ground is evident in the gully immediately upstream and downstream of the Project Site. Grass seedlings were observed emerging in the recontoured Project Site.

Vegetation at Site R5-3 (Unnamed Tributary to Foxen Canyon) is considered Wild Oats and Annual Brome (*Avena* and *Bromus* spp.) Grasslands (SNA/GNA [not applicable], and bare ground on the existing two-track unpaved ranching road that divides the Project Site from the north bank of the drainage. Grassland vegetation growing in saturated soil in the channel bottom is heavily disturbed by cattle trampling. Approximately 250 feet upstream of the Project Site, a small patch of Arroyo Willow Thicket (S4G4 [apparently secure]) is present, and a single blue

elderberry (*Sambucus nigra ssp. caerulea*) is present on the opposite streambank adjacent to the Project Site. Both of these vegetation components, along with the in-channel grassland appeared unaffected by Project activities. Grass seedlings were observed emerging in the recontoured Project Site.

6.3 PRELIMINARY JURISDICTIONAL DETERMINATION (WOTUS & WOTS)

Summaries of the preliminary jurisdictional data of observed impacts to WOTUS and WOTS collected at the Project Sites are provided in Tables 1 and 2. Only two of the four locations (Sites R5-1 and R5-3) meet the USACE relatively permanent standard and were preliminary determined to be within WOTUS due to their intermittent flow regime. The remaining two locations exhibited only an ephemeral flow regime and were therefore preliminarily determined to not be within WOTUS. Based on the SWRCB's broader definition of state jurisdictional waters, all four locations were preliminarily determined to be WOTS. Where both WOTUS and WOTS were identified, the area of impacts to USACE jurisdiction (WOTUS) has preliminarily been extended to match the area of SWRCB jurisdiction (WOTS), and in this case are considered identical, based on the functionality and laterally confined nature of each location.

None of the impact areas met the criteria for USACE-defined wetlands and were instead considered non-wetland WOTUS and/or WOTS, where applicable. However, two of these drainages (adjacent to Sites R5-1 and R5-3) potentially support USACE-defined wetlands that have been significantly disturbed prior to the Project (e.g., by cattle impacts). All impacts are considered temporary as post-Project restoration activities will not result in a loss of waters or wetlands. Temporary impact areas to jurisdictional waters are presented in Exhibit A, Aquatic Resources Maps. More detailed information for each location is provided in Exhibit B, Aquatic Resources Delineation Data.

Table 1. Preliminary USACE Jurisdictional Data Impact Summary (All Impacts are Temporary)

Impact Quantity	Non-Wetland Waters of the U.S. (Lake/Reservoir)	Non-Wetland Waters of the U.S. (Stream Channel)	Non-Wetland Waters of the U.S. (Riparian)	Wetland Waters of the U.S.	Total Waters of the U.S.
Site R4-1 (Unnamed Tributary to Cuyama River)*					
Acres	0	0	0	0	0
Linear Feet	0	0	0	0	0
Site R5-1 (Unnamed Tributary to Nojoqui Creek)					
Acres	0	0.024	0	0	0.024
Linear Feet	0	75	0	0	75
Site R5-2 (Unnamed Tributary to Peterson Creek)*					
Acres	0	0	0	0	0
Linear Feet	0	0	0	0	0
Site R5-3 (Unnamed Tributary to Foxen Canyon)					
Acres	0	0.002	0	0	0.002
Linear Feet	0	75	0	0	75
Total					
Acres	**0**	**0.026**	**0**	**0**	**0.026**
Linear Feet	**0**	**150**	**0**	**0**	**75**

*WOTUS have preliminarily been determined to be absent from these Project Sites due to their ephemeral flow regime and inability to meet the *relatively permanent standard*.

Table 2. Preliminary SWRCB Jurisdictional Data Impact Summary (All Impacts are Temporary)

Impact Quantity	Non-Wetland Waters of the State (Lake/Reservoir)	Non-Wetland Waters of the State (Stream Channel)	Non-Wetland Waters of the State (Riparian)	Wetland Waters of the State	Total Waters of the State
Site R4-1 (Unnamed Tributary to Cuyama River)					
Acres	0	0.028	0	0	0.028
Linear Feet	0	120	0	0	120
Site R5-1 (Unnamed Tributary to Nojoqui Creek)					
Acres	0	0.024	0	0	0.024
Linear Feet	0	75	0	0	75
Site R5-2 (Unnamed Tributary to Peterson Creek)					
Acres	0	0.009	0	0	0.009
Linear Feet	0	100	0	0	100
Site R5-3 (Unnamed Tributary to Foxen Canyon)					
Acres	0	0.002	0	0	0.002
Linear Feet	0	75	0	0	75
Total					
Acres	**0**	**0.063**	**0**	**0**	**0.063**
Linear Feet	**0**	**370**	**0**	**0**	**370**

6.4 AQUATIC RESOURCES

According to the National Wetland Inventory (NWI), two of four locations (Sites R4-1 and R5-3) are classified by U.S. Fish and Wildlife Service (USFWS) as R4SBA: Riverine (Riverine/Intermittent/Streambed/Temporarily Flooded), and PEM1A: Freshwater Emergent Wetland (Palustrine/Emergent/Persistent/Temporarily Flooded), respectively. The other two locations (Sites R5-1 and R5-2) do not have a designation in the NWI. However, our field verification at each location determined the proper Cowardin (1979) classification (which the NWI is based on) for each location to be as follows:

- Site R4-1 (Unnamed Tributary to Cuyama River): R4SBA, Riverine (Riverine/ Intermittent/Streambed/Temporarily Flooded)
- Site R5-1 (Unnamed Tributary to Nojoqui Creek): R4SBE, Riverine (Riverine/ Intermittent/Streambed/Temporarily Flooded-Saturated)

- Site R5-2 (Unnamed Tributary to Peterson Creek): R4SBA, Riverine (Riverine/ Intermittent/Streambed/Temporarily Flooded)
- Site R5-3 (Unnamed Tributary to Foxen Canyon): R4SBE, Riverine (Riverine/ Intermittent/Streambed/Temporarily Flooded-Saturated)

Note, however, the Project Sites themselves do not meet the USACE definition of a wetland due to the absence of at least one of the three criteria described below.

6.4.1 Hydrophytic Vegetation

Based on field sampling data, hydrophytic vegetation was absent from all four Project Sites, but was present immediately upstream to one Project Site (Site R5-1), in the form of Mulefat Thicket. Site R5-3 was absent of hydrophytic vegetation, but a patch of Arroyo Willow Thicket was observed approximately 220 feet upstream. The remaining locations and their surroundings were absent of hydrophytic vegetation, supporting only upland scrub and annual grassland vegetation types. A summary of the presence or absence of hydrophytic vegetation at the Project Sites is provided in Table 3 below.

Table 3. Hydrophytic Vegetation Determination

Project Site	Dominant Species Present (OBL, FACW, FAC, FACU, UPL)	Dominance Test (>50%)	Prevalence Test (<3.0)	Hydrophytic Vegetation Present?
R4-1	Allscale Saltbush (*Atriplex polycarpa*) (FACU) Bladderpod (*Peritoma arborea*) (FAC) Nodding needlegrass (*Stipa cernua*) (UPL)	0%	Not required	No
R5-1	Slender wildoats (*Avena barbata*) (UPL) Ripgut brome (*Bromus diandrus*) (UPL) Mulefat (*Baccharis salicifolia*) (FAC) immediately upstream	33%	Not required	No
R5-2	Coyote brush (*Baccharis pilularis*) (UPL) Slender wildoats (*Avena barbata*) (UPL) Ripgut brome (*Bromus diandrus*) (UPL)	0%	Not required	No
R5-3	Slender wildoats (*Avena barbata*) (UPL) Ripgut brome (*Bromus diandrus*) (UPL) Blue elderberry (*Sambucus nigra ssp. caerulea*) (FACU) Arroyo willow (*Salix lasiolepis*) (FACW) 220 feet upstream	0%	Not required	No

6.4.2 Hydric Soils

The NRCS Web Soil Survey indicates the Project Sites support at least one of the following soil or landcover types (see Exhibit D):

- Site R4-1 (Tributary to Cuyama River): PoE - Pleasanton cobbly sandy loam, 5 to 30 percent slopes, and PnC - Pleasanton sandy loam, 2 to 9 percent slopes.
- Site R5-1 (Tributary to Nojoqui Creek): DaF - Diablo silty clay, 30 to 45 percent slopes, and BtD2 - Botella clay loam, 2 to 15 percent slopes, eroded.

- Site R5-2 (Tributary to Peterson Creek): TdF - Terrace escarpments, loamy.
- Site R5-3 (Tributary to Foxen Canyon): GsE - Gazos clay loam, 15 to 30 percent slopes.

None of these soil types are considered hydric according to the Web Soil Survey. However, these mapping units may characterize only some of the Project Sites or their surroundings because the Web Soil Survey is regional in nature and does not distinguish between slopes and drainages. Based on the presence of soil saturation at two locations (Sites R5-1 and R5-3), which may largely be a function of above-average rainfall in the 2022-2023 and 2023-2024 rainy seasons, these two locations may have the potential to periodically develop hydric soils directly within the channel bottoms. The presence of hydrophytic vegetation within these saturated soils nearby each of those Project Sites coincides with this assertion. Based on the ephemeral condition of the other two locations (Sites R4-1 and R5-2), hydric soils are not expected to occur at either of those locations.

6.4.3 Wetland Hydrology

Hydrologic indicators delineating an OHWM were identified at all the Project Sites. All four locations met the wetland hydrology parameter by exhibiting at least one (1) primary wetland hydrology indicator or two (2) secondary indicators either fully within the location, or directly abutting the locations (such as surface water emerging at the edge of a location). Water marks or scouring and drift deposits were the most observed indicators, followed by surface water, soil saturation, and inundation visible on aerial imagery. Wetland hydrology indicators or potential indicators observed at each Project Site are provided in Exhibit B, Aquatic Resources Delineation Data.

6.4.4 Summary of Aquatic Resources

Waters of the U.S. were identified and mapped at two of the four locations, and waters of the State were identified and mapped at all four locations addressed by this Report. USACE-defined wetlands were not found within or adjacent to any of locations, and were instead considered non-wetland WOTUS and/or WOTS, where applicable. However, two of these drainages (adjacent to Sites R5-1 and R5-3) have the potential to support USACE-defined wetlands if conditions permitted their development (i.e., if persistent disturbance by cattle was avoided). Where both federal and state jurisdictional waters overlapped, waters of the U.S. were conservatively extended to match the extent of waters of the State. No wetland or non-wetland waters of the State were found outside of waters of the U.S. at these locations. A summary of impacts to waters are provided in Tables 1 and 2 above. Individual acreage and linear foot impact calculations for each Project Site are provided in Exhibit B, Aquatic Resources Delineation Data.

6.5 CDFW JURISDICTIONAL EVALUATION

Table 4 below lists our findings for each site of estimated impacts to a CDFW jurisdictional area. Our evaluation agreed with the CDFW notice that all four locations should be considered partially within FGC 1602 jurisdiction, but our field evaluation delineated the impacts occurring within each jurisdictional drainage to be a subset of the larger disturbance area created by project activities. Further discussion is provided below to elaborate on our findings at each location. Photographs are also provided for visual reference in Exhibit C.

Table 4. Project Impacts to CDFW Jurisdiction

Location & Vegetation Types (with Rarity Ranks)	CDFW Notice Estimates		Padre Estimates		Remarks
	Linear Feet	Acres	Linear Feet	Acres	
Site R4-1 (Unnamed Tributary to Cuyama River)					
Allscale Saltbush (*Atriplex polycarpa*) Scrub (S4G4), Annual Brome Grassland (unranked)	235	0.22	120	0.05	Site is perpendicular to drainage. Single, ephemeral drainage, bordered by upland saltbush scrub on both sides. Bank height upstream is only 6 inches to 1 foot. Bank height downstream is 3 feet. Relict (ancient) streambanks now considered upland are present from 15 to 100 feet from active channel and its banks. Within Project Site: jurisdictional width = 19 feet, length = 120 feet. Slopes above are considered upland. Channel bottom = 8 feet wide at upstream end, 7 feet wide at downstream end. Top of bank width upstream = 12 feet, and downstream = 25 feet. Channel enters an 8-foot wide box channel below SR 166 downstream of Project Site, coinciding with narrow, single channel at Project Site.
Site R5-1 (Unnamed Tributary to Nojoqui Creek)					
Annual Brome Grassland (Unranked), Mulefat Thicket (S4G5) (upstream) Valley Oak Woodland and Forest (S3G3) (adjacent)	No information	0.70	75	0.05	Site is perpendicular to drainage. Saturated soil derived from in-channel seep and minor ponding in cattle prints present to the upstream edge of the Project Site, but dry within site and in downstream gully. Within Project Site: jurisdictional width = 30 feet, length = 75 feet. Slopes above are considered upland. Channel bottom = 18 feet wide at upstream end, narrows to 5 feet wide at downstream end. Top of bank width upstream = 35 feet, and downstream = 10 feet.

Location & Vegetation Types (with Rarity Ranks)	CDFW Notice Estimates		Padre Estimates		Remarks
	Linear Feet	Acres	Linear Feet	Acres	
Site R5-2 (Unnamed Tributary to Peterson Creek)					
Coyote Brush Scrub (S5G5), Annual Brome Grassland (Unranked)	No information	0.28	100	0.05	Site is perpendicular to drainage. Ephemeral drainage emerging from a grassy swale upstream, and a dry gully forms immediately upstream of the Project Site. Within Project Site: jurisdictional width = 23 feet, length = 100 feet. Slopes above are considered upland. Channel bottom = 3 feet wide at upstream end, 5 feet wide at downstream end. Top of bank width upstream = 20 feet, and downstream = 25 feet.
Site R5-3 (Unnamed Tributary to Foxen Canyon)					
Annual Brome Grassland (Unranked)	No information	0.36	75	0.005	Site is parallel to drainage above north bank. Saturated soils and minor ponding in cattle prints present in drainage adjacent to the Project Site. Within Project Site: jurisdictional width = 3 feet (north bank edge below ranching road), length = 75 feet. Slopes and ranching road above are considered upland. Channel bottom = 15 feet wide. Top of bank width = 24 feet. 3-foot contour above channel bottom marked the top of bank from upstream and downstream (undisturbed) sections. No apparent Project-related disturbance to the wetted channel or edges.
Total:	>235	1.56	**370**	**0.159**	

Site R4-1: Unnamed Tributary to Cuyama River: Based on our field evaluation it is our professional opinion that this ephemeral drainage is confined to a single, narrow, dry channel and its edges with only a 6-inch to 1-foot bank height, and does not extend to the top of each adjacent embankment in both perpendicular directions from the channel's alignment. Rather, these embankments are relict, or ancient streambanks that are now considered upland slope features. Evidence of streambed flow outside the shallow banks of the single channel was not observed by the presence of dense cover and lack of any braided channels or visible sediment deposition. Aerial imagery analysis of past years confirmed this assertion. The presence of a rectangular box

culvert, located downstream of the Project Site beneath SR 166, which measures 8-feet wide and is assumed to be appropriately sized, coincides with the size of the channel identified at Project Site. Therefore, we estimated the width of CDFW jurisdiction to be 19 feet through the Project Site, and the length of disturbance to be 120 feet through the Project Site instead of 235 linear feet. Therefore, all temporary disturbances outside that area should not be considered within FGC 1602 jurisdiction.

Site R5-1: Unnamed Tributary to Nojoqui Creek: Based on our field evaluation it is our professional opinion that this intermittent drainage is confined to the wetted upstream channel, leading to a narrower dry channel downstream, plus its banks, to a height of approximately 4 feet above the channel bottom. This height was derived by matching the contours with undisturbed reaches of the channel both upstream and downstream of the Project Site. The slopes above this top-of-bank height should be considered upland. Aerial imagery analysis of past years confirmed this assertion. Therefore, we estimated the width of CDFW jurisdiction to be 30 feet through the Project Site, and all temporary disturbances outside that area, including up the north and south slopes, should not be considered within FGC 1602 jurisdiction.

Site R5-2: Unnamed Tributary to Peterson Creek, Buellton Ranch: Based on our field evaluation it is our professional opinion that this ephemeral drainage is confined to the dry gully present both upstream and downstream of the Project Site, plus its banks to a height of approximately 4 feet above the channel bottom. This height was derived by matching the contours with undisturbed reaches of the channel both upstream and downstream of the Project Site. The slopes above this top-of-bank height should be considered upland. Aerial imagery analysis of past years confirmed this assertion. Therefore, we estimated the width of CDFW jurisdiction to be 23 feet through the Project Site, and all temporary disturbances outside that area, including up the north and south slopes, should not be considered within FGC 1602 jurisdiction.

Site R5-3: Unnamed Tributary to Foxen Canyon: Based on our field evaluation it is our professional opinion that this intermittent drainage is confined to the wetted channel, plus its banks to a height of approximately 3 feet above the channel bottom. This height was derived by matching the contours with undisturbed reaches of the channel's banks both upstream and downstream of the Project Site. The slopes above this top-of-bank height should be considered upland, including the ranching road that runs parallel to the channel and marks the southern boundary of the Project Site. Aerial imagery analysis of past years and during construction confirmed this assertion. Notably, silt fence was placed as an exclusionary boundary while the excavation was open. Therefore, we estimated the width of CDFW jurisdiction that may have been affected by maintaining the existing unpaved road to be only 3 feet along 75 linear feet of the drainage's north bank, with no apparent impacts from work activities occurring to the channel bottom. Therefore, all temporary disturbances outside the banks of the drainage, including up the north slope, should not be considered within FGC 1602 jurisdiction.

6.6 BIOLOGICAL EVALUATION

Biological resources were briefly assessed at each Site for the dominant vegetation types within, or for reference, directly adjacent to each Site. Vegetation types are provided in Section 6.2 and Table 3 above, each of which are provided a global and state rarity rank. Vegetation types with ranks of 1 through 3 are considered rare or of limited distribution; none of which are present at any of the Sites, with exception to Valley Oak Woodland (S3G3) adjacent to Site R5-1. Notably, the majority of the acreage composing each site appeared to be dominated, or at least partially invaded, by non-native annual brome (*Bromus* spp.) and wildoats (*Avena* spp.)

grasses, and summer mustard (*Hirschfeldia incana*). No rare plants were observed, and the timing of the visit in early winter and after construction may preclude a full determination, but the mostly compromised conditions of each Site from ranching activities have likely reduced their suitability to support rare plants.

Notable wildlife activity was recorded if observed, including paying special attention to wet areas for sensitive amphibians or reptiles, and mammal burrows of interest. Wildlife activity at each location was typical for non-nesting, winter (or year-round) resident birds. Cattle trampling was evident at two (2) of the Sites (R5-1 and R5-3), introducing its own set of ecological and water quality impacts unrelated to the Project.

The CDFW notice asserted the potential for impacts to have occurred to California Endangered Species Act (CESA) listed or other special-status species at Site R4-1. A query by Padre of the California Natural Diversity Database (CNNDB) BIOS Viewer indicated that California glossy snake (*Arizona elegans occidentalis*, a California Species of Special Concern) has been recorded in the vicinity or overlapping with Site R4-1, and San Joaquin kit fox (*Vulpes macrotis mutica*, a State Threatened and Federal Endangered species), has been recorded within 0.9 miles of Site R4-1. Small mammal burrows (e.g., likely ground squirrel [*Otospermophilus beecheyi*]) were observed upstream and downstream of the Site, in addition to evidence of recent burrowing activities (small, earthen, mounds at the ground surface) directly within the Site. Coyote (*Canis latrans*) scat and tracks were also observed in the area. No direct evidence of San Joaquin kit fox was observed at or nearby the Site in its current condition. Reptile and amphibian observations were limited to common side-blotched lizard (*Uta stansburiana*). The cursory nature of the fieldwork performed and described herein may preclude a full determination, but based on the small, historically disturbed condition of the Site, plus our understanding of the Project's implementation of biological oversight during the planning phase and work activities, impacts to listed or otherwise protected species are unlikely to have occurred.

7.0 REFERENCES

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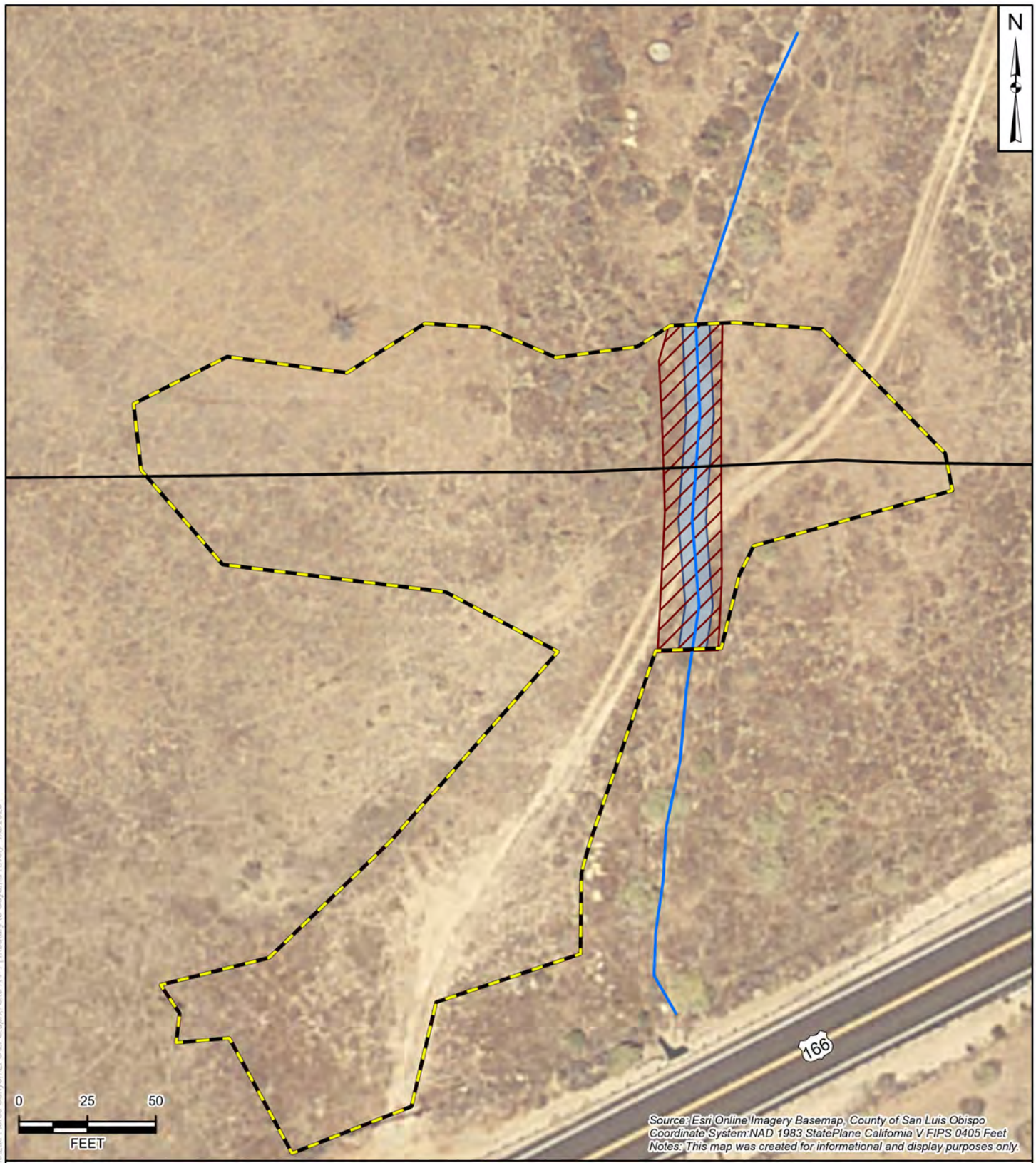
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EXHIBIT A

AQUATIC RESOURCES MAPS



LEGEND:

- Pipeline Alignment
- Tributary Centerline
- CDFW Impact Area
- Work Area
- WOTS Impact Area

MAP EXTENT:



padre associates, inc.
ENGINEERS, GEOLOGISTS & ENVIRONMENTAL SCIENTISTS

PROJECT NAME: PACIFIC PIPELINE COMPANY (SABLE OFFSHORE CORP.) SANTA BARBARA COUNTY, CA

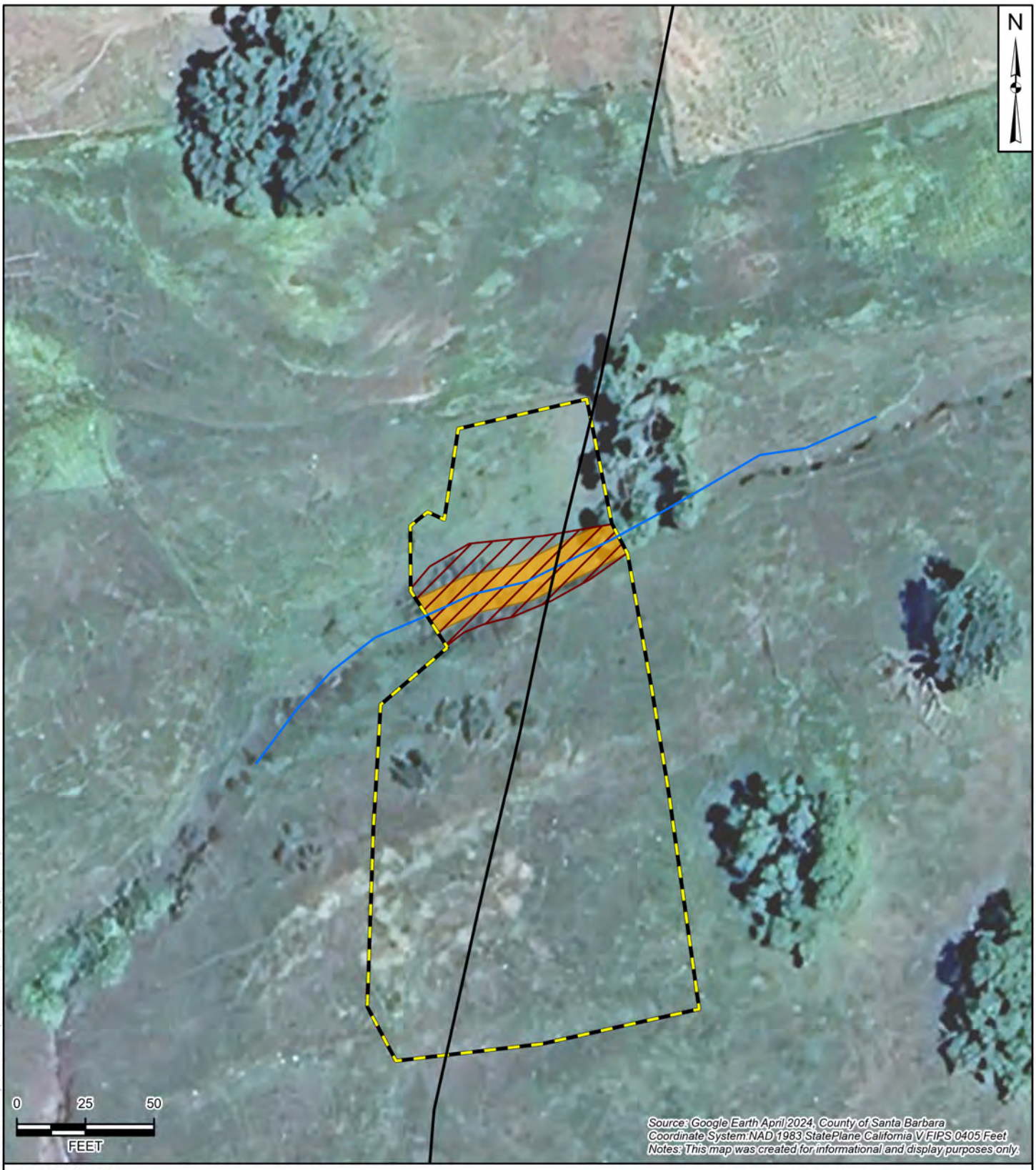
PROJECT NUMBER: 2402-5021

DATE: January 2025

SITE R4-1 (TRIBUTARY TO CUYAMA RIVER)

FIGURE 1

J:\GIS Projects\GIS Maps\GIS Data\Project Specific\Las Flores Canyon\LFCU-FC.aprx\ Site R4-1 (Tributary to Cuyama River) 1/8/2025



LEGEND:

- Pipeline Alignment
- Tributary Centerline
- CDFW Impact Area
- Work Area
- WOTUS and WOTS Impact Area

MAP EXTENT:



padre associates, inc.
ENGINEERS, GEOLOGISTS & ENVIRONMENTAL SCIENTISTS

PROJECT NAME:	PACIFIC PIPELINE COMPANY (SABLE OFFSHORE CORP.) SANTA BARBARA COUNTY, CA		SITE R5-1 (TRIBUTARY TO NOJOQUI CREEK)	FIGURE 2
PROJECT NUMBER:	2402-5021	DATE:	January 2025	

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LEGEND:

- Pipeline Alignment
- Tributary Centerline
- CDFW Impact Area
- Work Area
- WOTS Impact Area

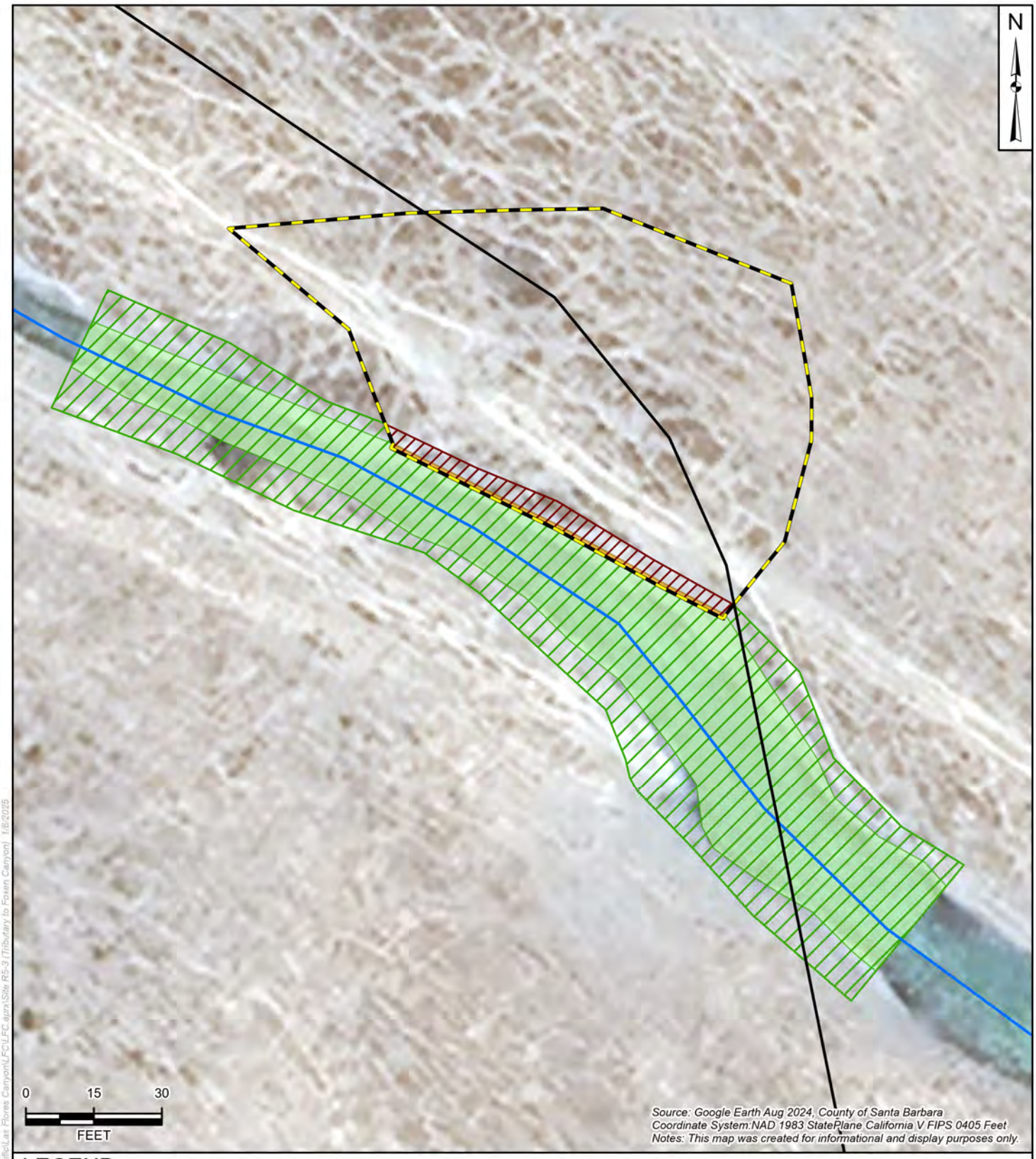
MAP EXTENT:



padre associates, inc.
ENGINEERS, GEOLOGISTS & ENVIRONMENTAL SCIENTISTS

PROJECT NAME:	PACIFIC PIPELINE COMPANY (SABLE OFFSHORE CORP.) SANTA BARBARA COUNTY, CA		SITE R5-2 (TRIBUTARY TO PETERSON CREEK)	FIGURE 3
PROJECT NUMBER:	2402-5021	DATE:	January 2025	

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LEGEND:

- Pipeline Alignment
- Tributary Centerline
- CDFW Impact Area
- CDFW Jurisdiction Outside of Work Area
- WOTUS and WOTS Impact Area
- WOTUS and WOTS Outside of the Work Area
- Work Area

MAP EXTENT:



padre associates, inc.
ENGINEERS, GEOLOGISTS & ENVIRONMENTAL SCIENTISTS

PROJECT NAME: PACIFIC PIPELINE COMPANY (SABLE OFFSHORE CORP.) SANTA BARBARA COUNTY, CA

PROJECT NUMBER: 2402-5021

DATE: January 2025

SITE R5-3 (TRIBUTARY TO FOXEN CANYON)

FIGURE 4

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EXHIBIT B

AQUATIC RESOURCES DELINEATION DATA

EXHIBIT B
AQUATIC RESOURCE DELINEATION DATA

Project Site	Latitude	Longitude	Date Evaluated	Cowardin Classification Code (Field Verified)	Hydrophytic Vegetation	Hydric Soils	Wetland Hydrology	Flow Regime	OHW (width-feet)	WOTUS & WOTS Preliminary Determination	Lake/ Reservoir (acres)	Lake/ Reservoir (linear ft)	Stream Channel (acres)	Stream Channel (linear ft)	Riparian Zone (acres)	Riparian Zone (linear ft)	Wetland (acres)	Wetland (linear ft)	CDFW Width (feet)	CDFW Length (feet)	CDFW Area (acres)	Remarks
Site R4-1 (Unnamed Tributary to Cuyama River)	35.05946	-119.93314	12/20/2024	R4SBA (NWI mapper: Same)	Absent: Dominant species include Annual Avena and Brome grasses, Atriplex polycarpa [FACU], Peritoma arborea [UPL].	Absent	Water Marks, Drift Deposits (upstream and downstream)	Ephemeral	Upstream: 10 Downstream: 9	WOTUS are absent due to ephemeral flow regime. WOTS are present within existing streambed and bank edges.	0	0	0.028	120	0	0	0	0	18.5	120	0.051	Site is perpendicular to drainage. Single, ephemeral drainage, bordered by upland saltbush scrub on both sides. Bank height upstream is only 6 inches to 1 foot. Bank height downstream is 3 feet. Relict (ancient) streambanks now considered upland are present from 15 to 100 feet from active channel and its banks. Slopes above are considered upland. Channel bottom = 8 feet wide at upstream end, 7 feet wide at downstream end. Top of bank width upstream = 12 feet, and downstream = 25 feet. Channel enters an 8-foot wide box channel below SR 166 downstream of Project Site.
Site R5-1 (Unnamed Tributary to Nojoqui Creek)	34.57388	-120.19567	12/20/2024	R4SBE (NWI mapper: None)	Absent within Project Site (Annual Avena and Brome grasses). Present upstream: Baccharis salicifolia [FAC]	Absent within Project Site. Assumed present upstream due to saturated soils.	Water Marks, Drift Deposits (upstream and downstream). Surface Water and Saturation (upstream).	Intermittent	Upstream: 20 Downstream: 7	WOTUS & WOTS are present and identical due to confined bed and banks observed upstream and downstream of Project Site.	0	0	0.024	75	0	0	0	0	30	75	0.052	Site is perpendicular to drainage. Saturated soil derived from in-channel seep and minor ponding in cattle prints present to the upstream edge of the Project Site, but dry within site and in downstream gully. Slopes above are considered upland. Channel bottom = 18 feet wide at upstream end, narrows to 5 feet wide at downstream end. Top of bank width upstream = 35 feet, and downstream = 10 feet.
Site R5-2 (Unnamed Tributary to Peterson Creek)	34.62795	-120.20041	12/20/2024	R4SBA (NWI mapper: None)	Absent: Annual Avena and Brome grasses, Baccharis pilularis [UPL]	Absent	Water Marks, Drift Deposits (upstream and downstream)	Ephemeral	Upstream: 3 Downstream: 5	WOTUS are absent due to ephemeral flow regime. WOTS are present within existing streambed and bank edges.	0	0	0.009	100	0	0	0	0	22.5	100	0.052	Site is perpendicular to drainage. Ephemeral drainage emerging from a grassy swale upstream, and a dry gully forms immediately upstream of the Project Site. Slopes above are considered upland. Channel bottom = 3 feet wide at upstream end, 5 feet wide at downstream end. Top of bank width upstream = 20 feet, and downstream = 25 feet.
Site R5-3 (Unnamed Tributary to Foxen Canyon)	34.80723	-120.19200	12/20/2024	RS4BE (NWI mapper: PEM1A)	Absent within Project Site: Annual Avena and Brome Grasses. Sambucus nigra [FACU] downstream. Salix lasiolepis [FACW] 220 feet upstream.	Absent within Project Site. Assumed present in adjacent streambed due to saturated soils.	Water Marks, Drift Deposits, Surface Water and Saturation (in adjacent streambed).	Intermittent	17	WOTUS & WOTS are present and identical due to confined impoundment and channel sides. Impoundment represents upstream extent of waters.	0	0	0.002	75	0	0	0	0	3	75	0.005	Site is parallel to drainage above north bank. Saturated soils and minor ponding in cattle prints present in drainage adjacent to the Project Site. Slopes and ranching road above are considered upland. Channel bottom = 15 feet wide. Top of bank width = 24 feet. 3-foot contour above channel bottom marked the top of bank from upstream and downstream (undisturbed) sections. No apparent disturbance to the wetted channel or edges.
Total											**0**	**0**	**0.063**	**370**	**0**	**0**	**0**	**0**	-	**370**	**0.159**	-

Notes

ft^2 = square feet
d/s = downstream
u/s = upstream

WOTUS = Waters of the United States
WOTS = Waters of the State

Wetland Status from Arid West 2022 Regional Wetland Plant List

OBL - Obligate wetland: almost always occurs in wetlands (>99% probability)
FACW - Facultative-Wetland: usually occurs in wetlands (67-99% probability)
FAC - Facultative: equally likely to occur in wetlands or non-wetlands (34-66% probability)

FACU - Facultative-Upland: usually occurs in non-wetlands (1-33% probability)
UPL - Upland: almost always occurs in non-wetlands (>99% probability)
*: not addressed in the wetland plant list, considered UPL

PEM1A = Freshwater Emergent Wetland (Palustrine/Emergent/Persistent/Temporarily Flooded)
R4SBA = Riverine (Riverine/Intermittent/Streambed/Temporary Flooded)
R4SBE = Riverine (Riverine/Intermittent/Streambed/Seasonally Flooded/Saturated)

EXHIBIT C

PHOTOGRAPHIC DOCUMENTATION



Photo 1. View of R4-1 (Trib. to Cuyama R) from channel bottom, looking upstream. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the State located within this area.



Photo 2. View of R4-1 (Trib. to Cuyama R) from upper end of Project Site, looking northwest. Embankment in background is relict (ancient) riverbank, and is considered upland. Yellow arrow marks edge of suggested CDFW jurisdictional delineation with Waters of the State located within this area in bottom of photograph.



Photo 3. View of R4-1 (Trib. to Cuyama R) from upper end of Project Site, looking east. Embankment in background is relict (ancient) riverbank, and is considered upland. Yellow arrow marks edge of suggested CDFW jurisdictional delineation with Waters of the State located within this area in bottom of photograph.



Photo 4. View of channel upstream of R4-1 (Trib. to Cuyama R). Embankment in background is relict (ancient) riverbank, and is considered upland. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the State located within this area.



Photo 5. View of R5-1 (Trib. to Nojoqui Cr.), looking upstream. Adjacent slopes are considered upland. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the U.S. and State located within this area.

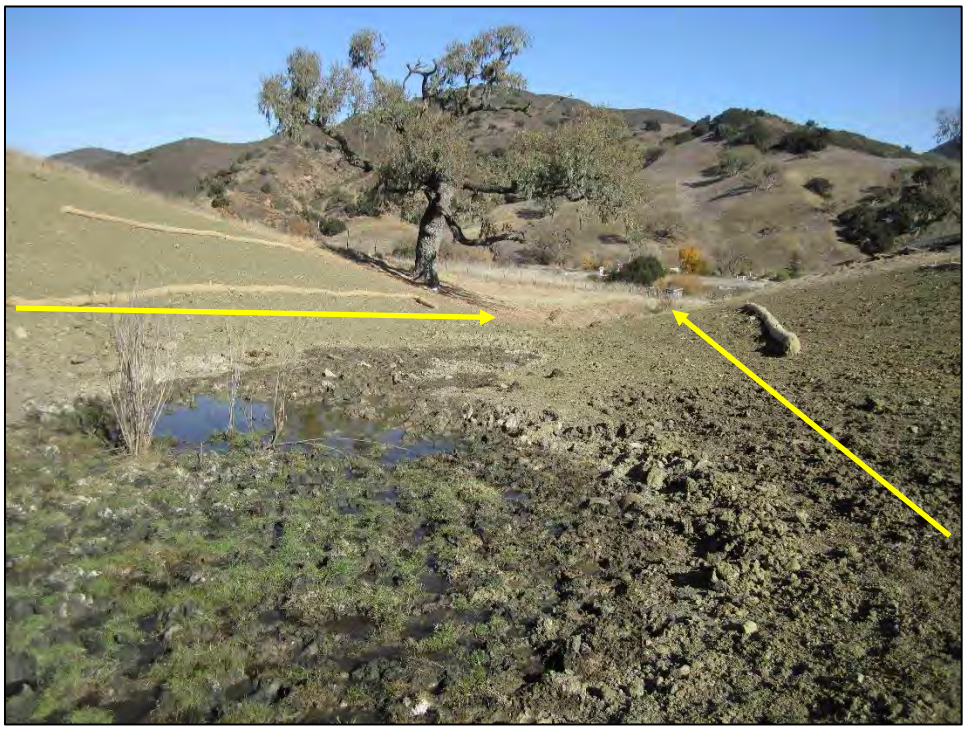


Photo 6. View of R5-1 (Trib. to Nojoqui Cr.), looking downstream. Adjacent slopes are considered upland. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the U.S. and State located within this area.

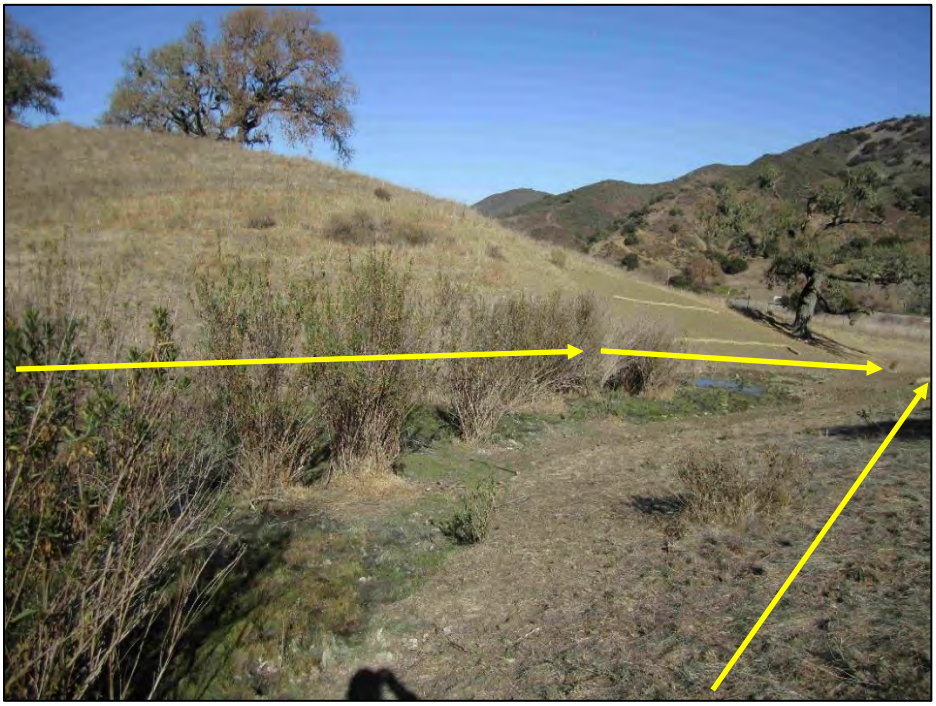


Photo 7. View of channel upstream of R5-1 (Trib. to Nojoqui Cr.), looking downstream. Adjacent slopes are considered upland. Yellow arrows mark approximate edges (behind vegetation) of suggested CDFW jurisdictional delineation with Waters of the U.S. and State located within this area.

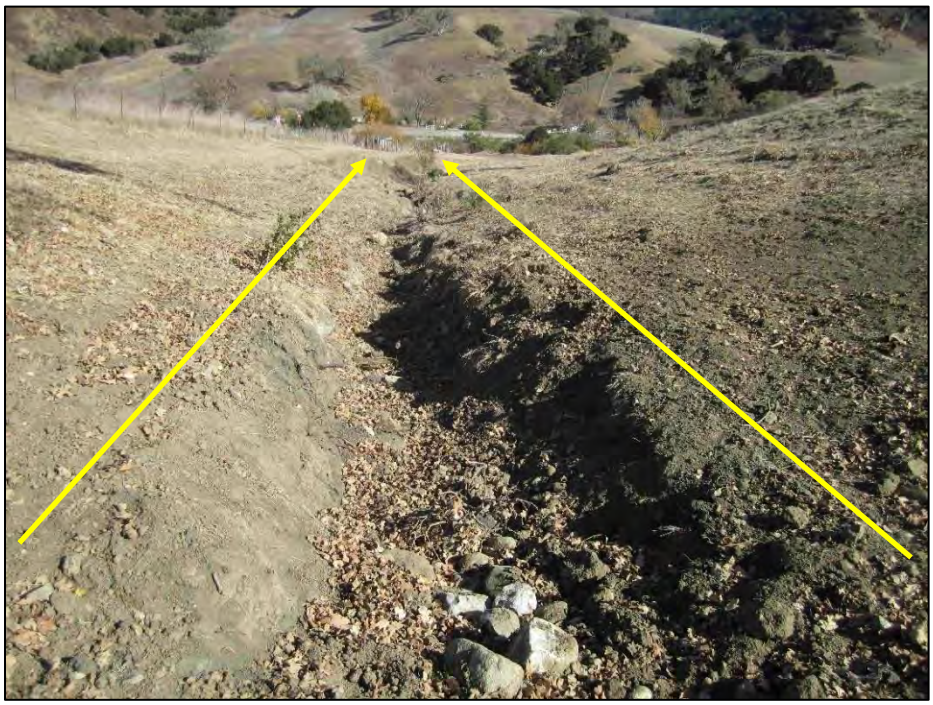


Photo 8. View of channel downstream of R5-1 (Trib. to Nojoqui Cr.), looking downstream. Adjacent slopes are considered upland. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the U.S. and State located within this area.

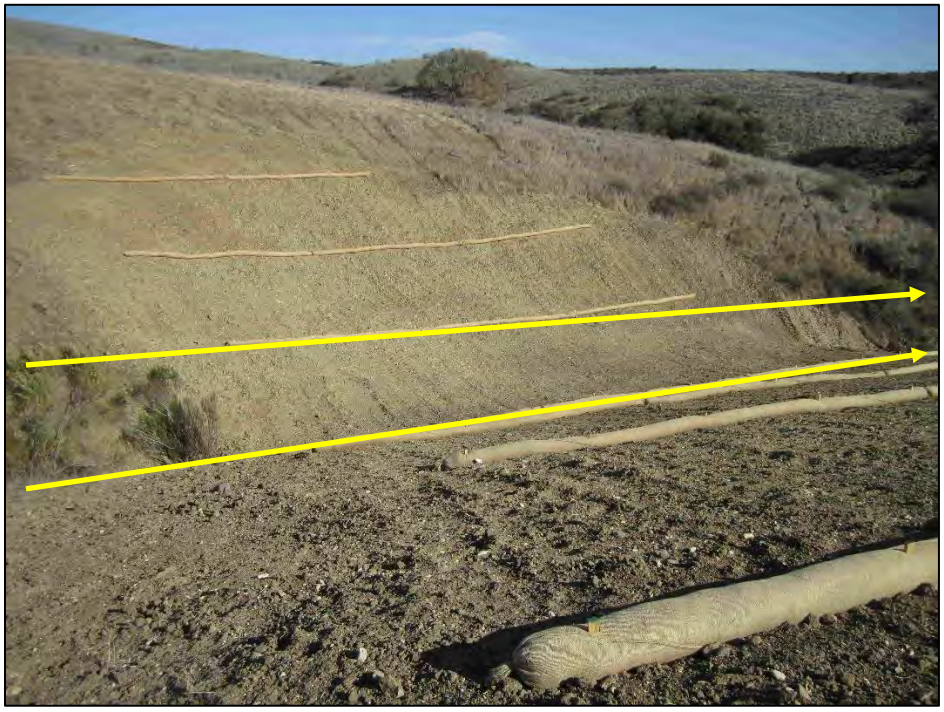


Photo 9. View of R5-2 (Trib. to Peterson Cr.), looking downstream. Adjacent slopes are considered upland. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the State located within this area.



Photo 10. View of R5-2 (Trib. to Peterson Cr.), looking downstream. Adjacent slopes are considered upland. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the State located within this area.



Photo 11. View of channel upstream of R5-2 (Trib. to Peterson Cr.), looking upstream. Adjacent slopes are considered upland. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the State located within this area.



Photo 12. View of R5-2 (Trib. to Peterson Cr.) at downstream limits, looking downstream. Adjacent slopes are considered upland. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the State located within this area.

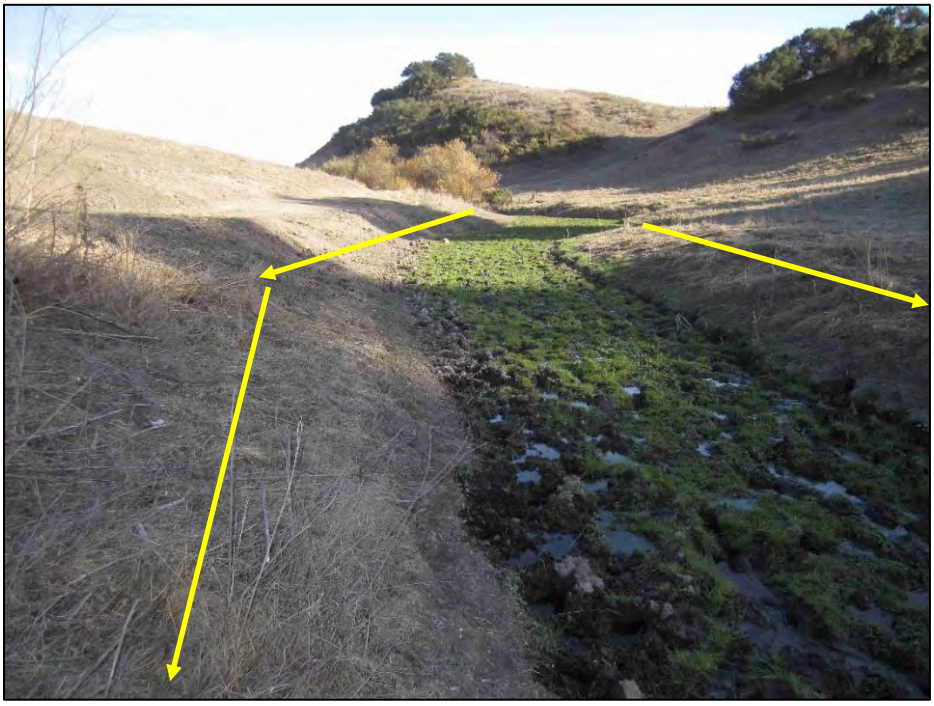


Photo 13. View of R5-3 (Trib. to Foxen Cyn) at downstream limits, looking upstream. Adjacent slopes are considered upland, including edge of road. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the U.S. and State located within this area.

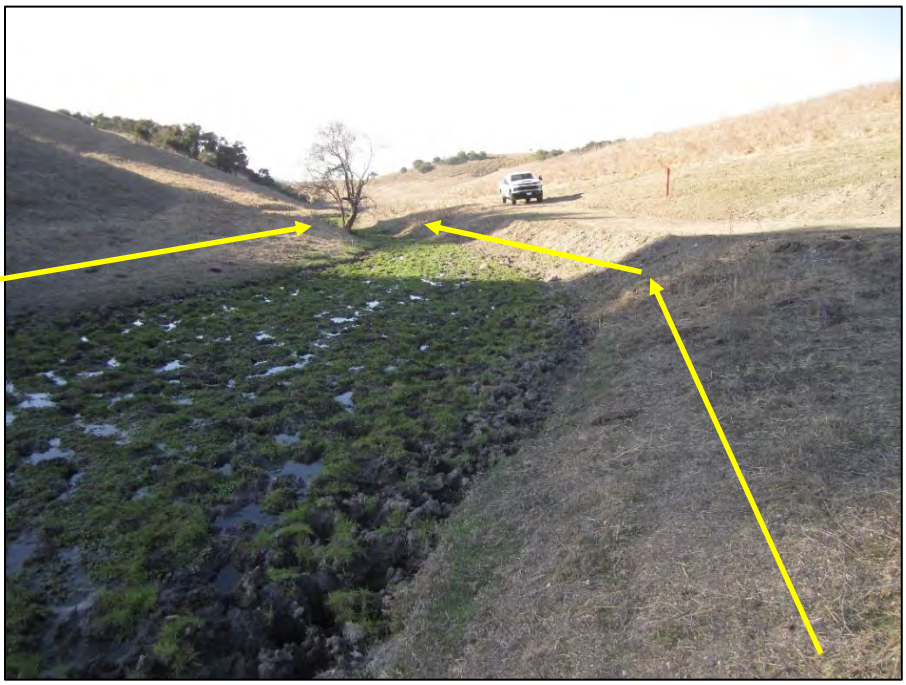


Photo 14. View of R5-3 (Trib. to Foxen Cyn) looking downstream. Adjacent slopes are considered upland, including edge of road. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the U.S. and State located within this area.



Photo 15. View of R5-3 (Trib. to Foxen Cyn) looking downstream. Adjacent slopes are considered upland, including edge of road. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation with Waters of the U.S. and State located within this area.



Photo 16. View of R5-3 (Trib. to Foxen Cyn) Project Site and ranch road. Adjacent slopes are considered upland, including edge of road. Yellow arrow marks approximate edge of suggested CDFW jurisdictional delineation with Waters of the U.S. and State located within this area (in bottom of photograph).

EXHIBIT D

WEB SOIL SURVEY

Soil Map—Northern Santa Barbara Area, California
(Tributary to Cuyama River)



Map Scale: 1:1,850 if printed on A landscape (11" x 8.5") sheet.

N

Meters: 0 25 50 100 150

Feet: 0 50 100 200 300

Map projection: Web Mercator Corner coordinates: WGS84 Edge tics: UTM Zone 11N WGS84

MAP LEGEND

Area of Interest (AOI)
- Area of Interest (AOI)

Soils
- Soil Map Unit Polygons
- Soil Map Unit Lines
- Soil Map Unit Points

Special Point Features
- Blowout
- Borrow Pit
- Clay Spot
- Closed Depression
- Gravel Pit
- Gravelly Spot
- Landfill
- Lava Flow
- Marsh or swamp
- Mine or Quarry
- Miscellaneous Water
- Perennial Water
- Rock Outcrop
- Saline Spot
- Sandy Spot
- Severely Eroded Spot
- Sinkhole
- Slide or Slip
- Sodic Spot
- Spoil Area
- Stony Spot
- Very Stony Spot
- Wet Spot
- Other
- Special Line Features

Water Features
- Streams and Canals

Transportation
- Rails
- Interstate Highways
- US Routes
- Major Roads
- Local Roads

Background
- Aerial Photography

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:20,000.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL:
Coordinate System: Web Mercator (EPSG:3857)

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This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Northern Santa Barbara Area, California
Survey Area Data: Version 19, Sep 9, 2024

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Mar 12, 2022—Mar 22, 2022

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Map Unit Legend

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
300	Corducci and Typic Xerofluvents, 0 to 5 percent slopes, occasionally flooded, MLRA 14	0.9	5.6%
PeA	Panoche loam, 0 to 2 percent slopes, MLRA 14	5.9	38.1%
PnC	Pleasanton sandy loam, 2 to 9 percent slopes	4.4	28.5%
PoE	Pleasanton cobbly sandy loam, 5 to 30 percent slopes	4.3	27.8%
Totals for Area of Interest		**15.5**	**100.0%**

Soil Map—Northern Santa Barbara Area, California
(Tributary to Nojoqui Creek)



Map Scale: 1:1,840 if printed on A landscape (11" x 8.5") sheet.

N

Meters
0 25 50 100 150

Feet
0 50 100 200 300

Map projection: Web Mercator Corner coordinates: WGS84 Edge tics: UTM Zone 10N WGS84

MAP LEGEND

Area of Interest (AOI)
- Area of Interest (AOI)

Soils
- Soil Map Unit Polygons
- Soil Map Unit Lines
- Soil Map Unit Points

Special Point Features
- Blowout
- Borrow Pit
- Clay Spot
- Closed Depression
- Gravel Pit
- Gravelly Spot
- Landfill
- Lava Flow
- Marsh or swamp
- Mine or Quarry
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- Streams and Canals

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Survey Area Data: Version 19, Sep 9, 2024

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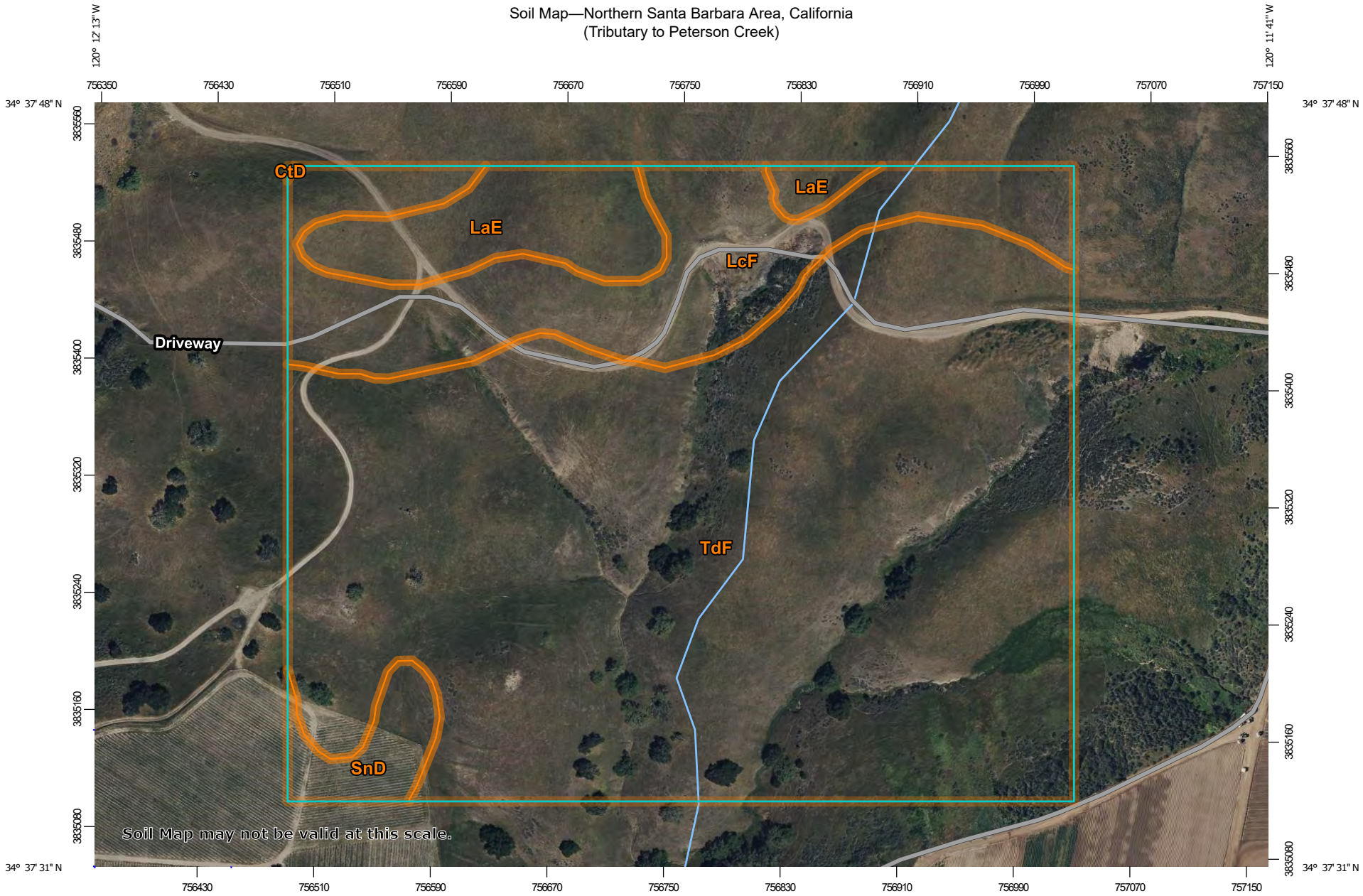
Date(s) aerial images were photographed: Mar 12, 2022—Apr 12, 2022

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Map Unit Legend

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
BtD2	Botella clay loam, 2 to 15 percent slopes, eroded	5.7	31.9%
DaF	Diablo silty clay, 30 to 45 percent slopes	9.0	50.5%
GmE	Gaviota sandy loam, 15 to 30 percent slopes, MLRA 15	0.1	0.5%
LsF	Los Osos-San Benito complex, 30 to 45 percent slopes	0.7	3.9%
SwB2	Sorrento clay loam, 0 to 5 percent slopes, eroded	2.1	11.6%
TdF	Terrace escarpments, loamy	0.3	1.6%
Totals for Area of Interest		**17.8**	**100.0%**

Soil Map—Northern Santa Barbara Area, California
(Tributary to Peterson Creek)



Map Scale: 1:3,680 if printed on A landscape (11" x 8.5") sheet.

N

Meters
0 50 100 200 300

Feet
0 150 300 600 900

Map projection: Web Mercator Corner coordinates: WGS84 Edge tics: UTM Zone 10N WGS84

MAP LEGEND

Area of Interest (AOI)
- Area of Interest (AOI)

Soils
- Soil Map Unit Polygons
- Soil Map Unit Lines
- Soil Map Unit Points

Special Point Features
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- Borrow Pit
- Clay Spot
- Closed Depression
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Survey Area Data: Version 19, Sep 9, 2024

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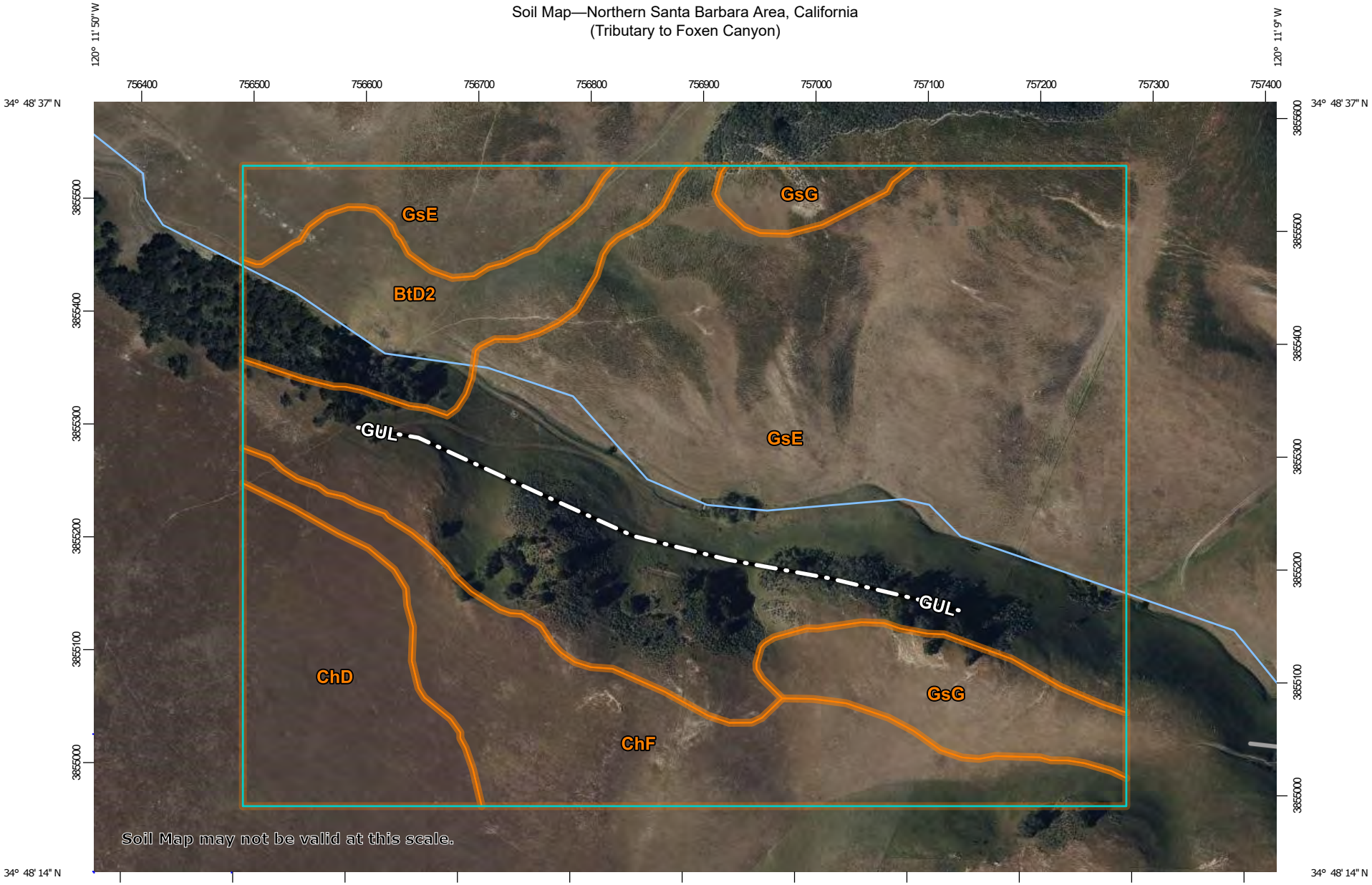
Date(s) aerial images were photographed: Mar 12, 2022—Apr 12, 2022

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Map Unit Legend

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
CtD	Corralitos sand, 2 to 15 percent slopes	0.0	0.0%
LaE	Linne clay loam, 15 to 30 percent slopes	3.9	6.7%
LcF	Linne clay loam, 30 to 45 percent slopes	9.6	16.5%
SnD	Santa Ynez gravelly fine sandy loam, 9 to 15 percent slopes	1.4	2.5%
TdF	Terrace escarpments, loamy	43.1	74.3%
Totals for Area of Interest		**58.1**	**100.0%**

Soil Map—Northern Santa Barbara Area, California
(Tributary to Foxen Canyon)



Map Scale: 1:4,810 if printed on A landscape (11" x 8.5") sheet.

N

Meters
0 50 100 200 300

Feet
0 200 400 800 1200

Map projection: Web Mercator Corner coordinates: WGS84 Edge tics: UTM Zone 10N WGS84

MAP LEGEND

Area of Interest (AOI)
- Area of Interest (AOI)

Soils
- Soil Map Unit Polygons
- Soil Map Unit Lines
- Soil Map Unit Points

Special Point Features
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Map Unit Legend

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
BtD2	Botella clay loam, 2 to 15 percent slopes, eroded	9.6	8.7%
ChD	Chamise channery loam, 9 to 15 percent slopes, MLRA 15	10.3	9.3%
ChF	Chamise shaly loam, 15 to 45 percent slopes	15.8	14.3%
GsE	Gazos clay loam, 15 to 30 percent slopes	67.1	60.7%
GsG	Gazos clay loam, 45 to 75 percent slopes	7.9	7.1%
Totals for Area of Interest		**110.6**	**100.0%**

Pacific Pipeline Company (Sable Offshore Corp.)
Las Flores Pipelines CA-324 and CA-325 Repair and Maintenance Project
Habitat Restoration Plan Summary
January 10, 2025

Habitat restoration activities are proposed at the following locations:

- Site R4-1: Unnamed Tributary to Cuyama River, Carrizo Plain Ecological Reserve, immediately north of SR166 (35.059463°, -119.933144°)
- Site R5-1: Unnamed Tributary to Nojoqui Creek, immediately west of Hwy 101 (34.573883°, -120.195670°)
- Site R5-2: Unnamed Tributary to Peterson Creek, Buellton Ranch (34.627952°, -120.200412°)
- Site R5-3: Unnamed Tributary to Foxen Canyon (aka, Asphaltum Creek) (34.807230°, -120.192000°)

Table 1-1. Restoration Plan Summary

Restoration Activity	Action	Timing	Applicable Project Site
Topsoil and Seed Bank Salvage	Topsoil (the first 6 to 12 inches) removed for the excavation and stockpiled separately for use in restoring original contours and grading, and to promote rapid plant growth restoration.	Completed immediately following Project activities.	• Site R4-1 • Site R5-1 • Site R5-2 • Site R5-3
Baseline Biological Survey and Evaluation	Complete baseline surveys within the Restoration Sites and adjacent areas representative of the disturbed habitat types to establish restoration reference sites.	Completed by Padre December 20, 2024.	• Site R4-1 • Site R5-1 • Site R5-2 • Site R5-3
Erosion Control	Placement of biodegradable straw wattles, jute netting, or other appropriate storm water/erosion best management practices (BMPs), as recommend by the restoration biologist and stormwater management specialist.	Completed immediately following Project activities, with additional BMPs installed following a December 2024 inspection. To be replaced following any additional restorative earthwork and recontouring.	• Site R4-1 • Site R5-1 • Site R5-2 • Site R5-3

Pacific Pipeline Company (Sable Offshore Corp.)
Las Flores Pipelines CA-324 and CA-325 Repair and Maintenance Project
Habitat Restoration Plan Summary
January 10, 2025

Restoration Activity	Action	Timing	Applicable Project Site
Drainage Recontouring	Minor excavation of recontoured area to restore a natural drainage bottom (thalweg) and reduce or eliminate potential for scouring and downstream sedimentation. Mini-excavator or skid steer and hand tools are sufficient for this task. Spread and lightly compact excavated materials above margins of recontoured channel.	To be completed as soon as possible but scheduled outside of any measurable rain event.	• Site R4-1 • Site R5-1 • Site R5-2 • Site R5-3
Revegetation (Seeding)	Hand collect seed and distribute onsite with appropriate seed mix at 40 lbs/acre: • Nodding needlegrass (*Stipa cernua*) – 60% • Allscale Saltbush (*Atriplex polycarpa*) – 30% • Bladderpod (*Peritoma arborea*) – 10% Hand rake seed into soil.	Collect seed in winter and hand broadcast as soon as possible to take advantage of winter precipitation, after drainage recontouring has occurred. Obtain CDFW (state-owned land) approval prior to collecting seed onsite.	• Site R4-1
Revegetation (Seeding)	Hand seed with appropriate purchased seed mix at 30 lbs/acre: • Purple needlegrass (*Stipa pulchra*) - 60% • California Brome (*Bromus carinatus*) - 30% • Sky Lupine (*Lupinus nanus*) - 10% Hand rake seed into soil.	Purchase seed from commercial supplier from seed stock with local genetics (Completed immediately following Project activities. Hand broadcast as soon as possible to take advantage of winter precipitation, after drainage recontouring has occurred.	• Site R5-1 • Site R5-2 • Site R5-3
Revegetation (Seeding)	Hand collect seed and distribute onsite with appropriate seed mix at 1 lbs/acre: • Coyote brush (*Baccharis pilularis*) – 100% Hand rake seed into soil.	Collect seed (while still available) and hand broadcast as soon as possible to take advantage of winter precipitation, after drainage recontouring has occurred.	• Site R5-1 • Site R5-2 • Site R5-3

Pacific Pipeline Company (Sable Offshore Corp.)
Las Flores Pipelines CA-324 and CA-325 Repair and Maintenance Project
Habitat Restoration Plan Summary
January 10, 2025

Restoration Activity	Action	Timing	Applicable Project Site
Revegetation (Cuttings)	Collect and plant mulefat (*Baccharis salicifolia*) cuttings from nearby locations. Each cutting should be 2 feet long, ~1 inch in diameter, stripped of leaves and planted on 4-foot centers in 1-foot deep holes created with hand auger or steel bar along the streambank toe.	To be completed as soon as possible, after drainage recontouring has occurred.	• Site R5-1 • Site R5-3
Irrigation	The Restoration Sites may be watered, as necessary, for the first year as recommended by the restoration biologist if rainfall is insufficient.	Following seeding and installation of cuttings, as needed.	• Site R4-1 • Site R5-1 • Site R5-2 • Site R5-3
Maintenance	Weed abatement, maintenance of erosion control measures, as necessary.	Year 1 - Monthly Year 2 – Quarterly Year 3 – Quarterly Year 4-5 - Annually	• Site R4-1 • Site R5-1 • Site R5-2 • Site R5-3
Site Visits/Monitoring	Qualitative and/or quantitative surveys to investigate revegetation progress and determine maintenance recommendations.	Year 1-3 - Quarterly Year 4-5 - Annually	• Site R4-1 • Site R5-1 • Site R5-2 • Site R5-3
Reporting	Reporting of all maintenance activities completed on site, results of site visits, discussion of revegetation success, and photographic documentation.	Annually for up to 5 years, or until performance criteria (once established) are met.	• Site R4-1 • Site R5-1 • Site R5-2 • Site R5-3

SABLE
OFFSHORE CORP.

January 13, 2025

VIA ELECTRONIC MAIL ONLY

California Natural Resources Agency
Department of Fish and Wildlife
c/o Kevin Thomas
Deputy Director, Regional Operations
P.O. Box 944209
Sacramento, CA 94244-2090
Email: kevin.thomas@wildlife.ca.gov

Re: Response to Notice of Potential Fish and Game Code Violations – Unnamed Tributary to the Cuyama River, San Luis Obispo County and Unnamed Tributaries to Nojoqui Creek, Peterson Creek, Foxen Canyon, and Sisquoc River, Santa Barbara County

Dear Mr. Thomas:

Sable Offshore Corporation ("Sable") has received the *Notice of Potential Fish and Game Code Violations* (the "NOPV") from the California Department of Fish and Wildlife ("CDFW"), dated December 17, 2024. The purpose of this letter is to describe the prompt actions that Sable already has taken in response to the NOPV and to secure concurrence for future proposed actions.

Sable retained a qualified consultant, Padre Associates, Inc. ("Padre"), to evaluate the allegations in the NOPV with respect to four of the five sites identified therein. With respect to the fifth site (Site R5-4), as previously communicated to you during our initial conversation on December 20, 2024, Sable does not own and has not conducted activities on this site. As discussed in detail below, Padre's evaluation confirmed the need for the proposed habitat Restoration Plan described herein, though Padre's analysis narrows the scope of the jurisdictional features as compared to CDFW's initial assessment.

I. Sable Does Not Own or Conduct Activities on Site R5-4: Sisquoc River (34,845451°, -120,218091°).

The NOPV alleges potential violations of Fish and Game Code sections 1602, 5650, 5652, and 2050 *et seq*. at Site R5-4. However, Sable does not own Site R5-4 or any of the operations

thereon. Additionally, neither Sable, nor any entity under Sable's control conducted the activities described in the NOPV at Site R5-4. It is Sable's understanding that the activities allegedly observed by CDFW at Site R5-4 are associated with an unaffiliated mining operation. As such, Sable requests that this site be removed from the NOPV, and Sable will not address Site R5-4 further.[1]

II. Padre's Evaluation Reveals Narrowed Impacts to Jurisdictional Features Subject to Fish and Game Code Section 1602.

In response to CDFW's NOPV, Sable promptly retained Padre to investigate the allegations associated with the four sites identified therein: Site R4-1 (Unnamed Tributary to Cuyama River); Site R5-1 (Unnamed Tributary to Nojoqui Creek); Site R5-2 (Unnamed Tributary to Peterson Creek); and Site R5-3 (Unnamed Tributary to Foxen Canyon). On December 20, 2024, Padre conducted a field visit to evaluate the work performed, assess the jurisdictional nature of the affected areas, and quantify the potential impacts, if any. In a report received from Padre earlier this week, Padre confirmed the placement of material within jurisdictional features; however, based on Fish and Game Code section 1602, Padre narrowed the scope of the alleged impacts as compared to CDFW's initial NOPV, as set forth below. Sable recognizes that to restore the affected areas, it is appropriate to expeditiously implement a restoration plan that includes removal of the material and restoration of the drainage areas. We seek to work cooperatively with CDFW on this effort.

Table 1: Scope of Alleged Impacts

Site Location	CDFW Estimate of Linear Feet Affected	CDFW Estimate of Acreage Affected	Padre Evaluation of Linear Feet Affected	Padre Evaluation of Acreage Affected
Site R4-1	235 ft	0.22	120 ft	0.05
Site R5-1	Not specified	0.70	75 ft	0.05
Site R5-2	Not specified	0.28	100 ft	0.05
Site R5-3	Not specified	0.36	75 ft	0.005

Site R4-1 (Unnamed Tributary to Cuyama River): Padre found that the majority of the 0.22-acre site identified by CDFW is not subject to Fish and Game Code section 1602 because it consists of relict or ancient streambanks that are now upland slope features. For those areas which are upland slope features, there is no "bed, channel, or bank" to have been substantially changed and Sable has not deposited "debris, waste, or other material containing…pavement" that may "pass into any river, stream, or lake." (Fish & G. Code, § 1602, subd. (a).). Padre estimates the acreage subject to Fish and Game Code section 1602 as 0.05 for this site.

[1] Given the removal of this site, alleged effect on Southern California steelhead will not be addressed.

With respect to the allegation that work was performed by Sable outside the 50-foot wide pipeline easement on the Carrizo Plain Ecological Reserve, Sable denies this allegation. All work performed was within an approximate 50-foot-long by 50-foot-wide area within the easement.[2]

Site R5-1 (Unnamed Tributary to Nojoqui Creek): Padre found that much of the 0.7-acre site identified by CDFW is not subject to Fish and Game Code section 1602 because it consists of slopes that are above top-of-bank height and are therefore upland slope features. For those areas which are upland slope features, there is no "bed, channel, or bank" to have been substantially changed and Sable has not deposited "debris, waste, or other material containing…pavement" that may "pass into any river, stream, or lake." (Fish & G. Code, § 1602, subd. (a).) Padre estimates the acreage subject to Fish and Game Code section 1602 as 0.05 for this site.

Site R5-2 (Unnamed Tributary to Peterson Creek): Padre found that much of the 0.28-acre site identified by CDFW is not subject to Fish and Game Code section 1602 because it consists of slopes that are above top-of-bank height and are therefore upland slope features. For those areas which are upland slope features, there is no "bed, channel, or bank" to have been substantially changed and Sable has not deposited "debris, waste, or other material containing…pavement" that may "pass into any river, stream, or lake." (Fish & G. Code, § 1602, subd. (a).) Padre estimates the acreage subject to Fish and Game Code section 1602 as 0.005 for this site.

Site R5-3 (Unnamed Tributary to Foxen Canyon): Padre found that the majority of the 0.36-acre site identified by CDFW is not subject to Fish and Game Code section 1602 because it consists of slopes that are above top-of-bank height and are therefore upland slope features. For those areas which are upland slope features, there is no "bed, channel, or bank" to have been substantially changed and Sable has not deposited "debris, waste, or other material containing…pavement" that may "pass into any river, stream, or lake." (Fish & G. Code, § 1602, subd. (a).) Padre estimates the acreage subject to Fish and Game Code section 1602 as 0.005 for this site.

A copy of Padre's January 8, 2025 Aquatic Resource Delineation Report is enclosed here as **Attachment 1**.

III. Sable Proposes to Implement a Habitat Restoration Plan.

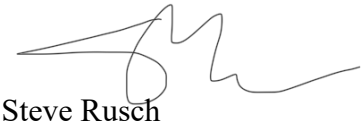
To address current conditions, Sable proposes to implement the proposed habitat Restoration Plan described in **Attachment 2** to this letter. Briefly, the proposed habitat Restoration Plan includes the following: (a) removing sediment from each jurisdictional feature; (b) stockpiling the topsoil for use in restoration efforts; (c) restoring the vegetation with appropriate species; implementing erosion control measures; (d) conducting site visits to ensure maintenance of the restoration efforts; and (e) reporting all maintenance and site visits.

We seek timely concurrence from CDFW to implement this proposed habitat Restoration Plan; once CDFW is able to review this submittal, Sable requests to meet with you to discuss the best method by which restoration efforts can properly commence as soon as possible.

[2] While some equipment was temporarily staged outside of the easement, where grass had been cleared for fire protection, this equipment was removed after Sable was alerted to the circumstance.

Sable is committed to conducting its operations in compliance with all applicable environmental laws and looks forward to prompt resolution of this matter. We look forward to working with CDFW to finalize and implement restoration efforts.

Very truly yours,



Steve Rusch
Vice President, Environmental Health & Safety
and Government Affairs

Cc: Michael N. Mills, Stoel Rives LLP, Michael.mills@stoel.com
Nicole E. Granquist, Stoel Rives LLP, Nicole.granquist@stoel.com
Julie Vance, Regional Manager, Central Region, julie.vance@wildlife.ca.gov
Erinn Wilson-Olgin, Regional Manager, South Coast Region,
erinn.wilson-olqin@wildlife.ca.gov
Victoria Tang, Environmental Program Manager, victoria.tang@wildlife.ca.gov
Krista Tomlinson, Environmental Program Manager,
krista.tomlinson@wildlife.ca.gov
Craig Bailey, Senior Environmental Scientist (Supervisory),
craig.bailev@wildlife.ca.gov
Frederic Rieman, Senior Environmental Scientist (Supervisory),
frederic.rieman@wildlife.ca.gov
Heather Rodriguez, Senior Environmental Scientist (Specialist),
heather.rodriguez@wildlife.ca.gov
Andrew Aitken, Environmental Scientist, andrew.aitken@wildlife.ca.gov
Ian Hoehn, Lieutenant, ian.hoehn@wildlife.ca.gov
Ryan Hitchings, Warden, ryan.hitchings@wildlife.ca.gov
Joseph Gonzalez, Warden, joseph.gonzalez@wildlife.ca.gov
R4LSA@wildlife.ca.gov
R5LSACompliance@wildlife.ca.gov

Enclosures:
Attachment 1, Aquatic Resource Delineation Report, Padre Associates, Inc., January 2025
Attachment 2, Restoration Plan Summary, Padre Associates, Inc., January 2025

EXHIBIT 19

January 10, 2025

Nicole E. Granquist
500 Capitol Mall, Suite 1600
Sacramento, CA 95814
D. 916.527.6243
Nicole.granquist@stoel.com

VIA ELECTRONIC MAIL ONLY

Ms. Thea S. Tryon
Assistant Executive Officer
Ms. Jaqueline Tkac
Ms. Leah Lemoine
Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place
San Luis Obispo, California 93401
E-Mail: Thea.Tryon@waterboards.ca.gov
Jacqueline.Tkac@waterboards.ca.gov
Leah.Lemoine@waterboards.ca.gov

Re: SABLE OFFSHORE CORP, LAS FLORES PIPELINE SYSTEM, SANTA BARBARA, SAN LUIS OBISPO, AND KERN COUNTY - FIRST NOTICE OF NON-COMPLIANCE FOR FAILURE TO OBTAIN COVERAGE UNDER THE STATE WATER RESOURCES CONTROL BOARD'S GENERAL PERMIT FOR STORMWATER DISCHARGES

Dear Ms. Tryon, Ms. Tkac, and Ms. Lemoine:

This submittal is in response to the Central Coast Regional Water Quality Control Board's ("Regional Water Board") December 13, 2024 Notice of Non-Compliance letter ("NNC") issued to our client, Sable Offshore Corporation ("Sable"), that alleges non-compliance for failure to obtain coverage under the State Water Resources Control Board's Order WQ 2022-0057-DWQ, *NPDES General Permit for Stormwater Discharges Associated with Construction and Land Disturbance Activities* ("Construction General Permit" or "CGP") related to Sable's maintenance work associated with pipelines CA-324 and CA-325 (the "Las Flores Pipeline System") in Santa Barbara, San Luis Obispo, and Kern Counties. This letter also serves as a follow up to Sable's prior correspondence on December 20, 2024.

The Regional Water Board states in the NNC that the CGP generally applies where one or more acres of soil are disturbed or to projects where "less than one acre but are part of a larger common plan of development that in total disturbs one or more acres" and further claims that "construction activity associated with remediation of pipelines…has been identified by the Central Coast Water Board as activity required by federal law to have a stormwater permit." The Regional Water Board's NNC omitted the CGP's more specific provisions applicable to "linear

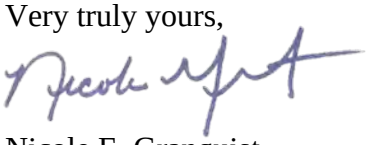
overhead and underground projects," like the routine anomaly work being performed by Sable on the existing Las Flores Pipeline System. (Construction General Permit at §§ II.C. and III.B., and Attachment E.) The CGP provides that linear construction project activities that are subject to the CGP *do not include* routine maintenance projects on existing lines and facilities. (Construction General Permit at Attachment E.2, § II.G.2.) Linear construction projects include pipelines for the transportation of any gaseous, liquid, liquescent, and slurry material. (Construction General Permit at § II.C.1.a.) Routine maintenance on pipelines includes updating existing lines and facilities (including replacing existing lines with new materials and pipes), repairing leaks, and conducting projects to maintain the original purpose or capacity of a facility. (Construction General Permit at Attachment E.2, §§ II.G.2 a-c, II.G.2.b. fn 6.) Sable's work on the Las Flores Pipeline System consists of a series of anomaly repair projects designed to maintain portions of the existing pipelines, and those pipelines transport gaseous, liquid, liquescent, and slurry material. As such, Sable's efforts on the Las Flores Pipeline System to maintain the infrastructure do not require CGP coverage as they fall squarely within the definition of routine maintenance contemplated by the CGP.

Sable acknowledges that the routine maintenance exemption noted above excludes areas of maintenance projects that fall outside of an existing right-of-way, franchise, easement, or agreement, or temporary facilities located outside the existing right-of-way. (Construction General Permit, Attachment E.2., § II.G.3.) In response to the NNC, Sable re-reviewed all anomaly repair projects located on the Las Flores Pipeline System to verify if project activities occurred or are occurring in such a way that CGP coverage could be implicated (*e.g.*, work is being conducted outside of an existing right-of-way/agreement/easement and those areas collectively meet/exceed the acreage requirement for coverage [*Id.* at § I.A.2.a]). In conducting the assessment on a time-sensitive basis, Sable considered only the original grant boundaries for such rights of way, agreements and easements and did not account for subsequent modifications which expanded those boundaries. Sable's conservative assessment is that the total area of project activities, as defined by the CGP, that may have occurred outside of original rights-of-way/agreements/easements amounts to approximately 0.15 acres.

To be clear, Sable has not conducted work outside of any right of way, agreement or easement, as the terms of same have been since mutually amended. However, even under the most conservative interpretation and using the original grant boundaries for comparison, Sable has confirmed that the areas of non-contiguous maintenance projects or temporary facilities falling outside of the original grant boundaries of an existing right-of-way, franchise, easement, or agreement, total less than one acre. As such, the CGP is not applicable via its own express terms, and no permit coverage is warranted.

We kindly request the Regional Water Board withdraw the NNC. If you have any further questions or comments, please do not hesitate to contact me.

Very truly yours,



Nicole E. Granquist

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padre associates, inc.
ENGINEERS, GEOLOGISTS & ENVIRONMENTAL SCIENTISTS

AQUATIC RESOURCE DELINEATION REPORT

LAS FLORES PIPELINES CA-324 AND CA-325 REPAIR AND MAINTENANCE PROJECT

at

Unnamed Drainage East of Baron Ranch, Santa Barbara County, California

Prepared for:

Pacific Pipeline Company (Sable Offshore Corp.)
845 Texas Avenue, Suite 2900
Houston, TX 77002

Prepared by:

Padre Associates, Inc.
1861 Knoll Drive
Ventura, CA 93003

January 2025

Project No. 2402-5021

EXECUTIVE SUMMARY

This Aquatic Resource Delineation Report (Report) has been prepared to document our findings during a site evaluation performed at one (1) location along the Las Flores Pipeline CA-324 at pipeline repair site No. 28065.19. Following pipeline repair and maintenance activities, the Central Coast Regional Water Quality Control Board (Central Coast Water Board) conducted a ground survey of the Las Flores Pipeline and issued a notice, dated December 13, 2024, of violation for unauthorized discharge of waste to waters of the state at an ephemeral stream in Santa Barbara County located at approximately 34° 28' 6.4" N, 120° 06' 22.5" W, upstream of Hwy 101 at postmile 39, just east of Baron Ranch Trailhead (Project Site).

Based on the presence of this ephemeral stream at the Project Site, Padre Associates, Inc. (Padre) has made the preliminary determination that the stream is also located within California Department of Fish and Wildlife (CDFW) jurisdiction. CDFW claims jurisdiction over the bed, bank, and channel of drainage features with regard to activities regulated under FGC Section 1602. CDFW staff generally interpret the jurisdictional area to include any riparian vegetation on or immediately adjacent to the bank. Our evaluation of the Project Site included conducting a follow-up biological survey and suggested delineation of FGC Section 1602 jurisdiction based on our professional experience and opinion.

This aquatic resource delineation was conducted in accordance with the *Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region* (U.S. Army Corps of Engineers [USACE], 2008) and the Routine Wetland Method described in the *1987 Corps of Engineers Wetland Delineation Manual* (Environmental Laboratory, 1987). In addition, *A Field Guide to the Identification of the Ordinary High Water Mark (OHWM) in the Arid West Region of the Western United States* (Lichvar and McColley, 2008) was used to identify the ordinary high water marks at the Project Site.

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ACRONYMS AND ABBREVIATIONS

CDFW	California Department of Fish and Wildlife
FAC	Facultative plant species
FACU	Facultative-Upland plant species
FACW	Facultative-Wetland plant species
OBL	Obligate wetland plant species
OHWM	Ordinary high water mark
NRCS	Natural Resources Conservation Service
SWRCB	State Water Resources Control Board
USACE	U.S. Army Corps of Engineers
USGS	United States Geologic Survey

1.0 INTRODUCTION

1.1 CONTACT INFORMATION

Project Applicant:

Pacific Pipeline Company (Sable Offshore Corp.)
Contact: Lance Yearwood, Vice President
Address: 845 Texas Avenue, Suite 2900
Houston, TX 77002
Phone: 713-579-8118

Property Owner:

Paul John Antolini (APN 081-150-007)
Contact: Available upon request from Sable.
Address: Available upon request from Sable.

1.2 REPORT PURPOSE

Padre Associates, Inc. (Padre) has prepared this Aquatic Resource Delineation Report (Report) for one (1) location (Project Site) along the Las Flores Pipelines CA-324 in Santa Barbara County, California. Following pipeline repair and maintenance activities, the Central Coast Regional Water Quality Control Board (Central Coast Water Board) conducted a ground survey of the Las Flores Pipeline and issued a notice, dated December 13, 2024, of violation for unauthorized discharge of waste to waters of the state at an ephemeral stream in Santa Barbara County. Based on the presence of this ephemeral stream at the Project Site, Padre Associates, Inc. (Padre) has made the preliminary determination that the stream is also located within California Department of Fish and Wildlife (CDFW) jurisdiction. The purpose of this Report is to identify and describe aquatic resources in support of any after-the-fact permitting requirements according to Waste Discharge Requirements (WDR) under the Porter-Cologne Water Quality Control Act and Fish and Game Code 1602, as a result of completed pipeline repair and maintenance activities, and proposed onsite restoration activities at this location. This Report provides:

- Project background information
- Project description
- Aquatic resource boundary determinations
- Estimates of impacts to FGC 1602 jurisdiction.
- Estimates of impacts to wetland and non-wetland waters of the U.S. and State, if present, to verify compliance with WDR, or Nationwide Permit and Section 401 Water Quality Certification limitations.
- A follow-up biological evaluation of each site in regard to sensitive habitats and wildlife species.

2.0 LOCATION

The Project Site described herein is within or adjacent to an unnamed drainage, in Santa Barbara County. The location evaluated is as follows:

- **Site No. 28065.19**, located at approximately 34° 28' 6.4" N, 120° 06' 22.5" W, upstream of Hwy 101 at postmile 39, just east of Baron Ranch Trailhead

3.0 PROJECT BACKGROUND

3.1 LAS FLORES PIPELINES CA-324, CA-325A, AND CA-325B

The Las Flores Pipeline system is a common carrier pipeline system consisting of approximately 122 linear miles of pipeline segments identified as CA-324, CA-325A, and CA-325B. CA-324 is a 24-inch diameter pipeline designed to transport crude oil approximately 10.9 miles from the Las Flores Station to the Gaviota Station along the Gaviota Coast. CA-325A is a 30-inch diameter pipeline designed to transport crude oil approximately 61.7 miles from the Gaviota Station to the Sisquoc Station, where it is renamed CA-325B, and travels the remaining approximately 49.4 miles through the Sierra Madre Mountains and Cuyama Valley to the Pentland Station. Numerous named and unnamed drainage features or their tributaries are present along this pipeline route.

4.0 PROJECT DESCRIPTION

4.1 PROJECT PURPOSE

Pipeline anomaly and other repair or maintenance needs were identified along the Las Flores Pipeline, and repairs were initiated in 2024 to bring the pipeline system back to operational standards. A surface excavation was required at the Project Site to expose and repair a pipeline anomaly at that location.

4.2 PROJECT ACTIVITIES

The anomaly location was excavated to expose the pipeline, with the surface soil stockpiled nearby. Depending on the depth of the excavation, the slopes above the pipeline were benched back and fortified with a steel trench box. Where deemed necessary, silt fence was placed along the Project Site margins to delineate the work area boundary and minimize or avoid impacts to the adjacent drainage reach. Upon completion of each repair, the trench box was removed, and the work location was backfilled and recontoured with the stockpiled material. The recontoured slopes were then dressed with a native hydroseed mix and straw wattles. At the time this delineation was performed, most recontouring and BMP installations were completed, but a follow-up excavation is required to complete the work activities on the slope immediately east of the unnamed drainage.

4.3 EQUIPMENT

Equipment used to conduct the pipeline repairs included an excavator, skip loader, small dozer, trench box, water truck, pipeline repair materials, a hydroseed truck, trailer-mounted water buffalo, and passenger trucks.

4.4 TIMING

It is our understanding that maintenance activities were conducted during the dry season when surface flows were absent.

5.0 METHODOLOGY

Prior to the field delineation, Padre conducted a literature review to determine the general character of the repair location, and to identify potential areas of concern. Documents and resources reviewed included aerial imagery, pre-activity photography, U.S. Geological Survey 7.5-minute topographic maps, National Wetland Inventory mapper website, National Hydrography Dataset, and the Natural Resources Conservation Service web soil survey. The fieldwork for the delineation was conducted by Padre Associates Senior Project Manager/Biologist Chris Dunn on Friday, December 20, 2024. The fieldwork also included a biological evaluation of each location conducted by Mr. Dunn. Mr. Dunn has over 25 years of professional biological consulting experience, and routinely conducts biological resource assessments and jurisdictional delineations for project permit applications and notifications throughout central and southern California. Results from the biological evaluation are also contained herein.

This aquatic resource delineation was conducted using the *Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region* (U.S. Army Corps of Engineers, 2008) and the Routine Wetland Method described in the *1987 Corps of Engineers Wetland Delineation Manual* (Environmental Laboratory, 1987). These manuals require that, under normal circumstances, an area possess three technical criteria (parameters) to be designated as a jurisdictional wetland. These criteria are prevalence of hydrophytic vegetation, presence of hydric soils, and wetland hydrology.

Sample transects were established at the location to facilitate identification and mapping of the Ordinary High-Water Mark (OHWM) and any adjacent or in-channel wetlands. The transect and sample point location was mapped on an aerial photograph (1” = 20’ to 1” = 80’). The vegetation, soil, and hydrology were examined at all sample points. In areas that clearly supported only ephemeral drainage features lacking in wetland features (described in more detail below), work focused on mapping the extent of the OWHM and the top-of-bank or other notable topographical break in slope, and to describe the biological features and sediment characteristics present at that location. Notable biological features included mapping the outer extent of riparian or otherwise adjacent vegetation that may extend past the top-of-bank. Since the area was visited post-disturbance, the OHWM and top-of-bank were derived by matching the contours with undisturbed reaches of the channel both upstream and downstream of the Project Site.

5.1 JURISDICTION

5.1.1 Waters of the U.S. (WOTUS)

In non-tidal waters, the lateral extent of USACE jurisdiction (i.e., Waters of the U.S. [WOTUS]) is determined by the ordinary high water mark, which (OHWM) is defined as the: "…*line on the shore established by the fluctuations of water and indicated by physical characteristics such as clear, natural line impressed on the bank, shelving, changes in the character of soil, destruction of terrestrial vegetation, the presence of litter and debris, or other appropriate means that consider the characteristics of the surrounding areas."* (33 CFR 328.3(c)7). Adjacent wetlands to waters are also considered jurisdictional, which are defined as ones that: "abut, meaning to touch at least at one point of, a water…in a typical year" (33 CFR 328.8(c)1(i)).

The U.S. Environmental Protection Agency (EPA) and USACE issued a Revised Definition of waters of the United States that aimed to establish a durable definition of Waters of the U.S. based on pre-2015 regulations, relevant Supreme Court decisions, the science, and the agencies' technical expertise. The Revised Definition became effective March 20, 2023, but on September 8, 2023, the EPA and USACE amended the Revised Definition to conform with a recent Supreme Court decision in the case of *Sackett v. Environmental Protection Agency* (Sackett). Federal regulation concerning tributaries and adjacent wetlands has recently been revised in an amended Revised Definition of Waters of the United States revised to conform with the Sackett decision (Conforming Rule) (U.S. Army Corps of Engineers and U.S. Environmental Protection Agency, 2023).

Under the Conforming Rule, tributaries that meet the relatively permanent standard are jurisdictional under the Clean Water Act as waters of the U.S. In implementing the relatively permanent standard, agencies draw key concepts from the 2020 Navigable Waters Protection Rule (NWPR) interpretation but modify the NWPR approach to ensure the term '*relatively permanent standard'* can be practically implemented. Specifically, the relatively permanent standard encompasses surface waters that have flowing or standing water year-round or continuously during certain times of the year. Relatively permanent waters do not include surface waters with flowing or standing water for only a short duration in direct response to precipitation (ACOE and EPA, 2023). Within this Report, the drainage was evaluated based on flow regime (perennial, intermittent, and ephemeral) as shown in the National Hydrography Dataset (USGS, 2024) in combination with field observations to compare against the relatively permanent standard to determine Federal jurisdiction. Where present, the OHWM was identified at that location and the width within the OHWM was recorded at each transect across the drainage. Adjacent wetlands or wetlands within an OHWM were also identified where all three wetland indicator parameters were found.

5.1.2 Waters of the State (WOTS)

The State Water Resources Control Board (SWRCB) defines "waters of the state" (WOTS) broadly to include "any surface water or groundwater, including saline waters, within the boundaries of the state." "Waters of the state" includes all "waters of the U.S." The SWRCB State Wetland Definition and Procedures (adopted April 2, 2019, effective May 2020) explicitly indicate that they will rely on a Final Aquatic Resource Delineation Report verified by the USACE for the purposes of determining the extent of Waters of the U.S. The SWRCB Implementation Guidance (May 2020) document outlines the California Code of Regulations that states that all Waters of the U.S. are also Waters of the State (to include all current and historic definitions of waters of

the U.S.). The jurisdictional framework outlined in the Implementation Guidance discusses aquatic features that do not meet the definition of a wetland but may still be a different type of aquatic feature that may still be regulated as a non-wetland Water of the State. Notably, the Procedures do not include guidance for jurisdictional determinations for other (non-wetland) Waters of the State (e.g., lakes or streams).

The Procedures and Implementation Guidance explicitly states that there is no definition or delineation method for identifying non-wetland Waters of the State. Thus, for the purposes of this Report, the OHWM within small order streams with relatively vertical banks typically delineates both Waters of the U.S. and Waters of the State, if both jurisdictions are preliminarily found to be present at the Project Site. For pond or basin features, the observed high-water mark, or the elevation of an outlet spillway or weir (if present), whichever was greater, would be considered the OHWM and represents the boundary for both Waters of the U.S. and Waters of the State. Conversely, ephemeral drainages that are preliminarily determined to be outside of Federal jurisdiction may still be considered a Waters of the State.

5.1.3 California Fish and Game Code Section 1602 Jurisdiction

The California Department of Fish and Wildlife (CDFW) administers several laws and programs designed to protect fish and wildlife resources in the State of California, including Section 1602 of the California Fish and Game Code, which requires a Lake or Streambed Alteration Agreement between CDFW and any state or local governmental agency or public utility before the initiation of any construction project that will:

- Substantially divert, obstruct, or change the natural flow or the bed, channel, or bank of any river, stream, or lake;
- Use materials from a streambed; or
- Result in the disposal or deposition of debris, waste, or other material containing crumbled, flaked, or ground pavement where it can pass into any river, stream, or lake.

Therefore, the CDFW claims jurisdiction over the bed, bank, and channel of drainage features with regard to activities regulated under Section 1602 of the California Fish and Game Code. CDFW staff generally interpret the jurisdictional area to include any riparian vegetation on or immediately adjacent to the bank.

5.2 HYDROPHYTIC VEGETATION

To determine the predominance of hydrophytic vegetation, dominant plant species within each stratum (tree, sapling/shrub, herbaceous, and woody vine) at the sample point location were identified using standard taxonomic references (Baldwin et. al., 2012). The hydrophytic indicator status of the species was determined in accordance with the *2022 National Wetland Plant List - Arid West Region* (USACE, 2023) as facultative (FAC), facultative-wetland (FACW) or obligate (OBL) wetland species. Some facultative-upland (FACU) species may also be functioning as hydrophytes if morphological adaptations such as adventitious roots and shallow root systems have been developed. The vegetation was then analyzed using the dominance test to determine if greater than 50 percent of the dominant species were hydrophytic and the prevalence index calculation to determine if the prevalence index was less than or equal to 3.0.

5.3 SOILS

At each sample plot location, at least one soil pit is typically excavated to a depth of approximately 18 inches below ground surface (bgs), where possible, to determine the extent of saturation and to examine the soil for evidence of wetland hydrology. Once the pit is excavated, a soil sample is obtained from below the A horizon, approximately 10 inches below ground surface (bgs), and examined for evidence of redoximorphic characteristics, such as low matrix chroma, gleying, and/or mottling resulting from anaerobic conditions. After moistening, the soil color is determined using Munsell soil color charts (Munsell Color, 2022). Soil texture is evaluated using field methods described by the USACE (Environmental Laboratory, 1987). The characteristics of the soils are then compared against descriptions of soil-mapping units detailed in the Natural Resources Conservation Service Web Soil Survey (NRCS, 2024). Due to the previously disturbed condition of the Project Site, ephemeral flow regime, and lack of soil saturation and hydrophytic vegetation, only a visual assessment of surface soil conditions was conducted during this evaluation.

5.4 WETLAND HYDROLOGY

Hydrologic characteristics of the sample points were evaluated by identifying evidence of inundation, free water in the soil pit (if excavated), soil saturation, and sediment deposits in the streambed, drift deposits along the stream bank, biotic crust, local drainage patterns, oxidized root channels in the upper 12 inches of the soil, and/or surface soil cracking.

6.0 EXISTING CONDITIONS

6.1 LANDSCAPE SETTING

The Project Site is located on an ephemeral drainage in coastal cismontane Santa Barbara County on open ranch land. The drainage is a small order, unnamed feature that measures a total length of approximately 650 feet and terminates in upland vegetation above a small residential property. The drainage is not connected with any larger tributary or to the Pacific Ocean. The elevation of the Project Site is approximately 180 feet above sea level.

6.2 VEGETATION

Vegetation at or adjacent to the Project Site is classified below according to California Native Plant Society (CNPS) Manual of California Vegetation Online (https://vegetation.cnps.org/), along with their State and Global Rarity Ranks, where applicable. Vegetation at the Project Site can be classified as degraded California Sagebrush Scrub (*Artemisia californica - (Salvia leucophylla) / Leymus condensatus* Shrubland Association) (S5G5 [demonstrably secure]), mixed with Upland Mustards or Star-Thistle Fields (*Brassica nigra-Centaurea melitensis* Semi-Natural Alliance) (SNA/GNA [not applicable]).

Native species at or adjacent to the Project Site included California sagebrush (*Artemisia californica*), giant wildrye (*Elymus [=Leymus] condensatus*), and blue elderberry (*Sambucus nigra ssp. caerulea*), all of which are heavily invaded by non-native species including black mustard (*Brassica nigra*), ripgut brome (*Bromus diandrus*), summer mustard (*Hirschfeldia incana*), Italian thistle (*Carduus pycnocephalus*), sweet fennel (*Foeniculum vulgare*), false bindweed (*Convolvulus arvensis*), and tree tobacco (*Nicotiana glauca*). Scattered non-native Peruvian

pepper (*Schinus molle*) trees are also present at or adjacent to this drainage feature. Planted hedges or escaped individuals of giant reed (*Arundo donax*) were observed in the nearby residential property, but were not associated with the subject drainage. Brush fire evidence from the October 2021 Alisal Fire was observed in the form of burned tree and shrub trunks, and the absence of larger, woody plants compared to aerial imagery prior to the Alisal Fire. Past ranching activities and placement of cobble and small boulders to armor the small drainage by others was also evident. Grass seedlings were observed emerging in the recontoured Project Site.

6.3 PRELIMINARY JURISDICTIONAL DETERMINATION (WOTUS & WOTS)

Summaries of the preliminary jurisdictional data of observed impacts (if any) to WOTUS and WOTS collected at the Project Site are provided in Tables 1 and 2. The Project Site exhibited only an ephemeral flow regime, did not meet the USACE relatively permanent standard, and was preliminary determined to not be within WOTUS. Based on the SWRCB's broader definition of state jurisdictional waters, a narrower portion of the Project Site was preliminarily determined to be within WOTS.

Likewise, the impact area did not meet the criteria for USACE-defined wetlands and was instead limited to non-wetland WOTS. All impacts are considered temporary as post-Project restoration activities will not result in a loss of waters or wetlands. Temporary impact areas to jurisdictional waters are presented in Exhibit A, Aquatic Resources Maps. More detailed information for each location is provided in Exhibit B, Aquatic Resources Delineation Data.

Table 1. Preliminary USACE Jurisdictional Data Impact Summary (All Impacts are Temporary)

Impact Quantity	Non-Wetland Waters of the U.S. (Lake/Reservoir)	Non-Wetland Waters of the U.S. (Stream Channel)	Non-Wetland Waters of the U.S. (Riparian)	Wetland Waters of the U.S.	Total Waters of the U.S.
Site No. 28065.19 (Unnamed Drainage East of Baron Ranch)*					
Acres	0	0	0	0	0
Linear Feet	0	0	0	0	0
Total					
Acres	**0**	**0**	**0**	**0**	**0**
Linear Feet	**0**	**0**	**0**	**0**	**0**

*WOTUS have preliminarily been determined to be absent from the Project Site due to its ephemeral flow regime and inability to meet the *relatively permanent standard*.

Table 2. Preliminary SWRCB Jurisdictional Data Impact Summary (All Impacts are Temporary)

Impact Quantity	Non-Wetland Waters of the State (Lake/Reservoir)	Non-Wetland Waters of the State (Stream Channel)	Non-Wetland Waters of the State (Riparian)	Wetland Waters of the State	Total Waters of the State
Site No. 28065.19 (Unnamed Drainage East of Baron Ranch)					
Acres	0	0.006	0	0	0.006
Linear Feet	0	60	0	0	60
Total					
Acres	**0**	**0.006**	**0**	**0**	**0.006**
Linear Feet	**0**	**60**	**0**	**0**	**60**

6.4 AQUATIC RESOURCES

According to the National Wetland Inventory (NWI), this drainage is classified by U.S. Fish and Wildlife Service (USFWS) as R4SBA: Riverine (Riverine/Intermittent/Streambed/Temporarily Flooded). Our field evaluation verified this classification according to Cowardin (1979), which the NWI is based on. Note, however, the Project Site itself does not meet the USACE definition of a wetland due to the absence of at least one of the three criteria described below.

6.4.1 Hydrophytic Vegetation

Based on field sampling data, hydrophytic vegetation was absent from the Project Site, supporting only upland mustard, scrub, and annual grassland species. A summary of the presence or absence of hydrophytic vegetation at the Project Sites is provided in Table 3 below.

Table 3. Hydrophytic Vegetation Determination

Project Site	Dominant Species Present (OBL, FACW, FAC, FACU, UPL)	Dominance Test (>50%)	Prevalence Test (<3.0)	Hydrophytic Vegetation Present?
No. 28065.19	Black Mustard (*Brassica nigra*) (UPL]) Ripgut Brome (*Bromus diandrus*) (UPL) California Sagebrush (*Artemisia californica*) (UPL)	0%	Not required	No

6.4.2 Hydric Soils

The NRCS Web Soil Survey indicates the Project Site supports the following soil or landcover types (see Exhibit D):

- CcF—Capitan cobbly clay loam, 30 to 50 percent slopes.

This soil type is not considered hydric according to the Web Soil Survey. Note, this mapping unit may characterize only some of the Project Site or its surroundings because the Web Soil Survey is regional in nature and does not distinguish between slopes and drainages. However, based on the ephemeral condition of the drainage, and absence of soil saturation and hydrophytic vegetation, hydric soils are not expected to occur at the Project Site.

6.4.3 Wetland Hydrology

Very minor hydrologic indicators delineating an OHWM were identified at the Project Site. The Project Site met the wetland hydrology parameter by exhibiting at least one (1) primary wetland hydrology indicator or two (2) secondary indicators both upstream and downstream of the Project Site. These indicators included slight evidence of water marks or scouring and drift deposits from flashy, short duration flows. Wetland hydrology indicators or potential indicators observed at each Project Site are provided in Exhibit B, Aquatic Resources Delineation Data.

6.4.4 Summary of Aquatic Resources

Waters of the U.S. were preliminarily determined to be absent from the Project Site, but waters of the State were identified and mapped at the Project Site. USACE-defined wetlands were not found within or adjacent to the Project Site, and was instead limited to non-wetland WOTS. A summary of impacts to waters is provided in Tables 1 and 2 above. Individual acreage and linear foot impact calculations for the Project Site are provided in Exhibit B, Aquatic Resources Delineation Data.

6.5 CDFW JURISDICTIONAL EVALUATION

Table 4 below lists our findings for the Project Site of estimated impacts to CDFW jurisdictional area. Further discussion is provided below to elaborate on our findings at the Project Site. Photographs are also provided for visual reference in Exhibit C.

Table 4. Project Impacts to CDFW Jurisdiction

Location & Vegetation Types (with Rarity Ranks)	Linear Feet	Acres	Remarks
Site No. 28065.19 (Unnamed Drainage East of Baron Ranch)			
California Sagebrush Scrub (*Artemisia californica - (Salvia leucophylla) / Leymus condensatus* Shrubland Association) (S5G5); Upland Mustards or Star-Thistle Fields (*Brassica nigra-Centaurea melitensis* Semi-Natural Alliance) (SNA/GNA)	60	0.017	Site is perpendicular to drainage. Single, ephemeral, very minor, concave feature with a 3-4 foot wide OHW, with only vague indicators of a bed and bank. Bank height estimated at 3 feet. Slopes above are considered upland. Channel bottom = 3 feet wide at upstream end, 4 feet wide at downstream end. Top of bank width = 12 feet. Channel widens slightly downstream of Project Site, and appears previously armored with cobble and small boulders, then sheet flows over tilted bedrock, and terminates beneath a large Peruvian pepper tree and grassy swale. No apparent connectivity with any downstream channel or culvert leading to the Pacific Ocean.
Total:	**60**	**0.017**	

Based on our field evaluation it is our professional opinion that this ephemeral drainage is confined to the dry gully present both upstream and downstream of the Project Site, plus its banks to a height of approximately 3 feet above the channel bottom. This height was derived by matching the contours with undisturbed reaches of the channel both upstream and downstream of the Project Site. The slopes above this top-of-bank height should be considered upland. Aerial imagery analysis of past years confirmed this assertion. Therefore, we estimated the width of CDFW jurisdiction to be 12 feet through the Project Site, and all temporary disturbances outside that area, including up the east and west slopes, should not be considered within FGC 1602 jurisdiction.

6.6 BIOLOGICAL EVALUATION

Biological resources were briefly assessed at the Project Site for the dominant vegetation types within, or for reference, directly adjacent to the Project Site. Vegetation types are provided in Section 6.2 and Table 4 above, each of which is provided global and state rarity ranks. Vegetation types with ranks of 1 through 3 are considered rare or of limited distribution; none of which are present at the Project Site. Notably, the majority of the acreage composing the Project Site appeared to be dominated by non-native black mustard. No rare plants were observed, and the timing of the visit in early winter and after construction may preclude a full determination, but the mostly compromised conditions of the Project Site from ranching activities have likely reduced their suitability to support rare plants. Degradation from the Alisal Fire was also observed in the form of burned woody stalks in the nearby brush and Peruvian pepper trees, and invasion of non-native species.

Notable wildlife activity was recorded if observed, including paying special attention to wet areas for sensitive amphibians or reptiles, and mammal burrows of interest. Wildlife activity at the Project Site was typical for non-nesting, winter (or year-round) resident birds, including California towhee (*Melozone crissalis*), song sparrow (*Melospiza melodia*), and yellow-rumped warbler (*Setophaga coronata*). Reptile and amphibian observations were limited to common side-blotched lizard (*Uta stansburiana*). The cursory nature of the fieldwork performed and described herein may preclude a full determination, but based on the small, historically disturbed condition of the Site, plus our understanding of the Project's implementation of biological oversight during the planning phase and work activities, impacts to listed or otherwise protected species are unlikely to have occurred.

7.0 REFERENCES

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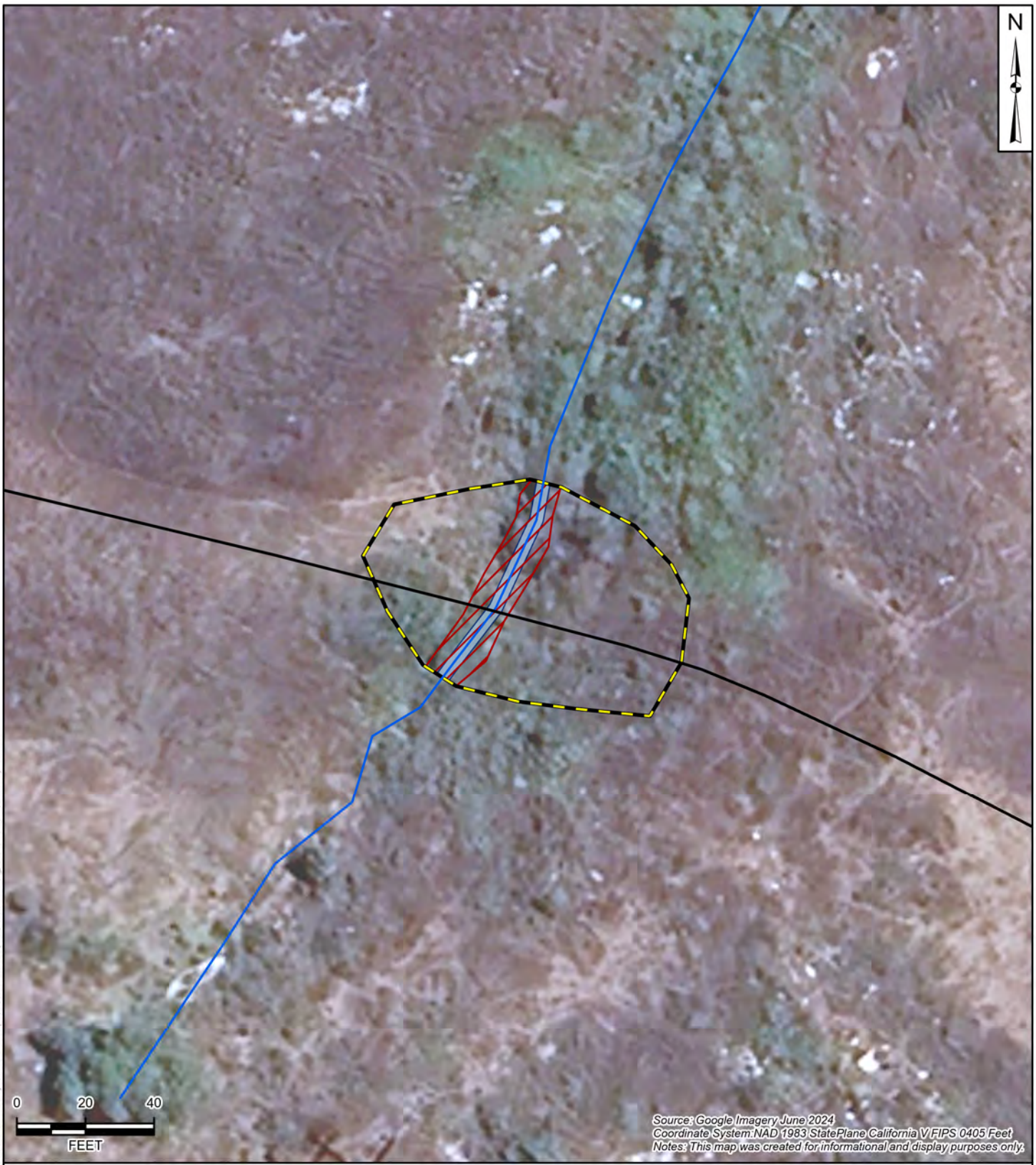
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EXHIBIT A

AQUATIC RESOURCES MAP



LEGEND:

- Drainage Centerline
- Pipeline Alignment
- CDFW Impact Area
- WOTS Impact Area
- Work Area

MAP EXTENT:



padre associates, inc.
ENGINEERS, GEOLOGISTS & ENVIRONMENTAL SCIENTISTS

PROJECT NAME: PACIFIC PIPELINE COMPANY (SABLE OFFSHORE CORP.) SANTA BARBARA COUNTY, CA		SITE 28065.19 (UNNAMED DRAINAGE EAST OF BARON RANCH)	FIGURE 1
PROJECT NUMBER: 2402-5021	DATE: January 2025		

Z:\GIS Projects\GIS Maps\BIS Data\Project Specific\Las Flores Canyon\LFCU FC 4.prj\Site 28065.19 (Unnamed Drainage East of Baron Ranch) 1/7/2025

EXHIBIT B

AQUATIC RESOURCES DELINEATION DATA

EXHIBIT B
AQUATIC RESOURCE DELINEATION DATA

Project Site	Latitude	Longitude	Date Evaluated	Cowardin Classification Code (Field Verified)	Hydrophytic Vegetation	Hydric Soils	Wetland Hydrology	Flow Regime	OHW (width-feet)	WOTUS & WOTS Preliminary Determination	Lake/ Reservoir (acres)	Lake/ Reservoir (linear ft)	Stream Channel (acres)	Stream Channel (linear ft)	Riparian Zone (acres)	Riparian Zone (linear ft)	Wetland (acres)	Wetland (linear ft)	CDFW Width (feet)	CDFW Length (feet)	CDFW Area (acres)	Remarks
Site No. 28065.19 (Unnamed Drainage East of Baron Ranch)	34° 28' 6.4" N	120° 06' 22.5" W	12/20/2024	R4SBA (NWI mapper: Same)	Absent: Dominant species include Brassica nigra [UPL], Bromus diandrus [UPL], and Artemisia californica [UPL]	Absent	Water Marks, Drift Deposits (upstream and downstream)	Ephemeral	4	WOTUS are absent due to ephemeral flow regime. WOTS are present within existing streambed and bank edges.	0	0	0.006	60	0	0	0	0	12	60	0.017	Site is perpendicular to drainage. Single, ephemeral, very minor, concave feature with a 3-4 foot wide OHW, with only vague indicators of a bed and bank. Bank height estimated at 3 feet. Slopes above are considered upland. Channel bottom = 3 feet wide at upstream end, 4 feet wide at downstream end. Top of bank width = 12 feet. Channel widens slightly downstream of Project Site, and appears previously armored with cobble and small boulders, then sheet flows over tilted bedrock, and terminates beneath a large Peruvian pepper tree and grassy swale. No apparent connectivity with any downstream channel or culvert leading to the Pacific Ocean.
Total											**0**	**0**	**0.006**	**60**	**0**	**0**	**0**	**0**	**12**	**60**	**0.017**	-

Notes

ft^2 = square feet
d/s = downstream
u/s = upstream

WOTUS = Waters of the United States
WOTS = Waters of the State

Wetland Status from Arid West 2022 Regional Wetland Plant List

OBL - Obligate wetland: almost always occurs in wetlands (>99% probability)
FACW - Facultative-Wetland: usually occurs in wetlands (67-99% probability)
FAC - Facultative: equally likely to occur in wetlands or non-wetlands (34-66% probability)

FACU - Facultative-Upland: usually occurs in non-wetlands (1-33% probability)
UPL - Upland: almost always occurs in non-wetlands (>99% probability)
*: not addressed in the wetland plant list, considered UPL

R4SBA = Riverine (Riverine/Intermittent/Streambed/Temporary Flooded)

EXHIBIT C

PHOTOGRAPHIC DOCUMENTATION



Photo 1. View of Site No. 28065.19 east of Baron Ranch from channel bottom, looking downstream. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation, with Waters of the State located within this area. Orange construction fencing marks the area for remaining pipeline repair activities required at this location.



Photo 2. View of Site No. 28065.19 from channel bottom, looking upstream, including undisturbed areas uphill of the Project Site. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation, with Waters of the State located within this area. All vegetation is composed of upland species, including but not limited to black mustard, summer mustard, giant wild rye, California sagebrush, blue elderberry, false bindweed, and Peruvian pepper (previously burned).



Photo 3. View of Site No. 28065.19 from channel bottom, looking downstream, including undisturbed areas downhill of the Project Site. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation, with Waters of the State located within this area. All vegetation is composed of upland species, including but not limited to black mustard, summer mustard, sweet fennel, giant wild rye, California sagebrush, tree tobacco, false bindweed, and Peruvian pepper.



Photo 4. Close-up view of channel bottom upstream of Site No. 28065.19, looking upstream, with minor evidence of drift and sediment deposits. All vegetation is composed of upland species mainly of black mustard, summer mustard and sweet fennel.

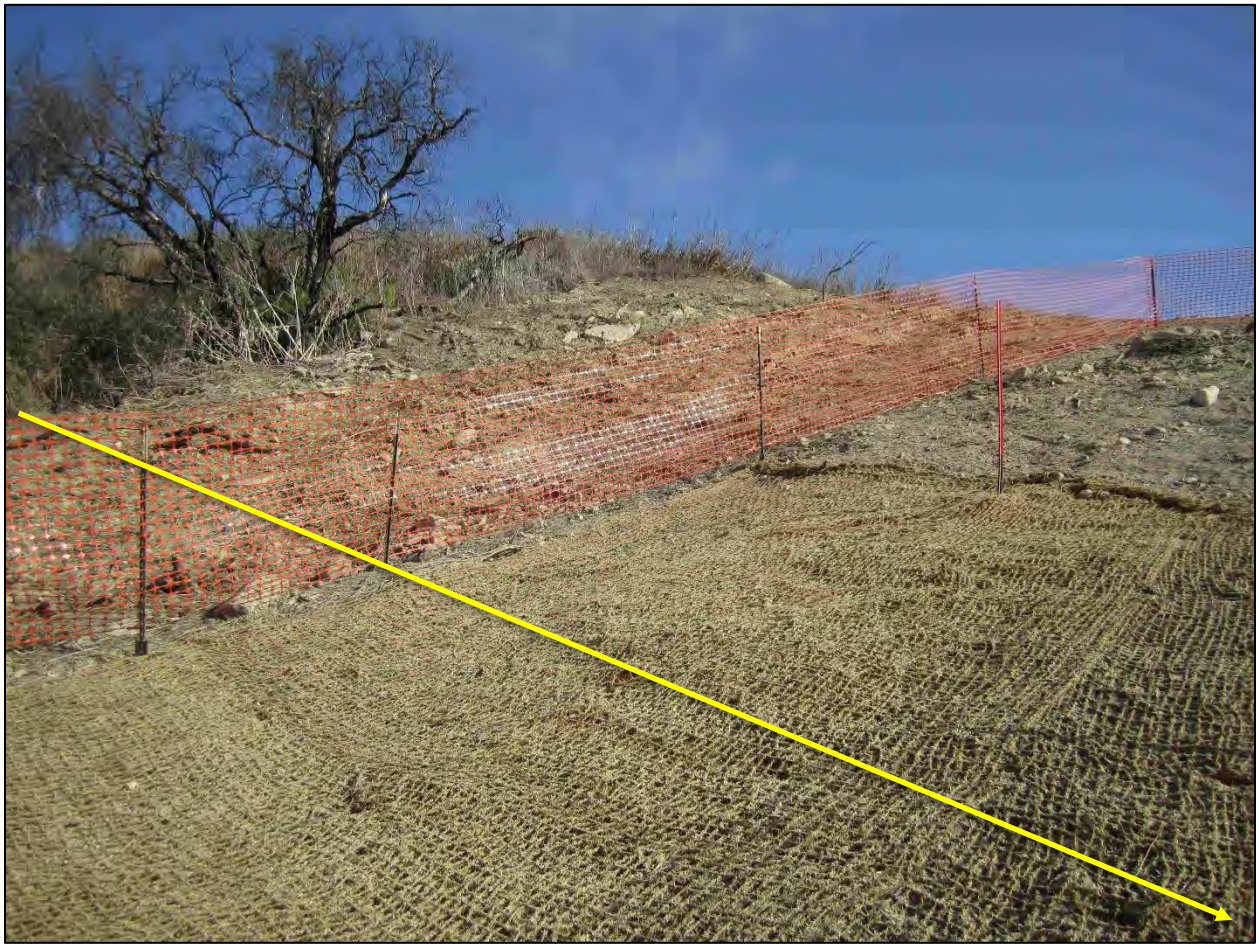


Photo 5. View of Site No. 28065.19 from channel bottom, looking uphill toward the northeast. Yellow arrow marks approximate edge of suggested CDFW jurisdictional delineation, with Waters of the State located within this area at bottom of photograph. Orange construction fencing marks the area for remaining pipeline repair activities required at this location, which was also temporarily dressed with jute netting.



Photo 6. View of channel bottom downstream of Site No. 28065.19, looking downstream. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation, with Waters of the State located within this area. All vegetation is composed of upland species, mainly of black mustard, sweet fennel and California sagebrush.



Photo 7. View of channel bottom downstream of Site No. 28065.19, looking upstream with exposed tilted bedrock representing channel bottom. Yellow arrows mark approximate edges of suggested CDFW jurisdictional delineation, with Waters of the State located within this area. Predominant vegetation is non-native sweet fennel, and all vegetation is composed of upland species.



Photo 8. View of terminus of channel bottom downstream of Site No. 28065.19, looking downstream at base of Peruvian pepper trees. Drainage diminishes into a grassy swale at this location.

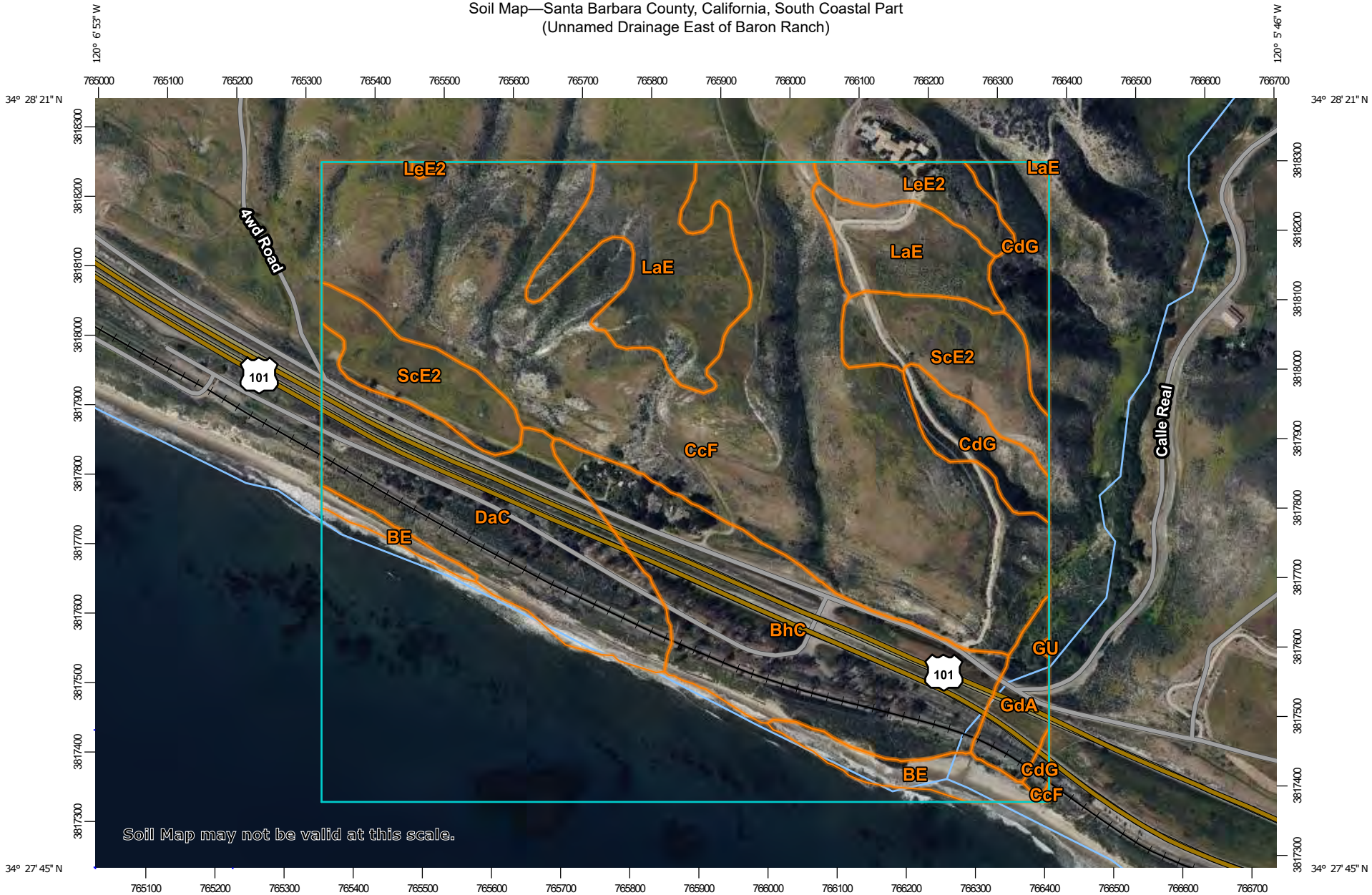


Photo 9. View of grassy swale downhill of the terminus of the channel bottom downstream of Site No. 28065.19. View is toward the east. All vegetation in foreground is composed of upland species. Giant reed (*Arundo donax*) is present in background on the residential property, but is not associated with any drainage feature.

EXHIBIT D

WEB SOIL SURVEY

Soil Map—Santa Barbara County, California, South Coastal Part
(Unnamed Drainage East of Baron Ranch)



Map Scale: 1:7,810 if printed on A landscape (11" x 8.5") sheet.

N

Meters: 0 100 200 400 600

Feet: 0 350 700 1400 2100

Map projection: Web Mercator Corner coordinates: WGS84 Edge tics: UTM Zone 10N WGS84

MAP LEGEND

Area of Interest (AOI)
- Area of Interest (AOI)

Soils
- Soil Map Unit Polygons
- Soil Map Unit Lines
- Soil Map Unit Points

Special Point Features
- Blowout
- Borrow Pit
- Clay Spot
- Closed Depression
- Gravel Pit
- Gravelly Spot
- Landfill
- Lava Flow
- Marsh or swamp
- Mine or Quarry
- Miscellaneous Water
- Perennial Water
- Rock Outcrop
- Saline Spot
- Sandy Spot
- Severely Eroded Spot
- Sinkhole
- Slide or Slip
- Sodic Spot
- Spoil Area
- Stony Spot
- Very Stony Spot
- Wet Spot
- Other
- Special Line Features

Water Features
- Streams and Canals

Transportation
- Rails
- Interstate Highways
- US Routes
- Major Roads
- Local Roads

Background
- Aerial Photography

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:24,000.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL:
Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Santa Barbara County, California, South Coastal Part
Survey Area Data: Version 17, Sep 9, 2024

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Mar 12, 2022—Apr 12, 2022

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Map Unit Legend

Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
BE	Beaches	5.3	2.2%
BhC	Botella shaly clay loam, 2 to 9 percent slopes	29.0	12.1%
CcF	Capitan cobbly clay loam, 30 to 50 percent slopes	80.5	33.5%
CdG	Capitan-Rock outcrop complex, 50 to 75 percent slopes	10.2	4.2%
DaC	Diablo clay, 2 to 9 percent slopes	24.7	10.3%
GdA	Goleta loam, 0 to 2 percent slopes	4.1	1.7%
GU	Gullied land	0.1	0.0%
LaE	Linne clay loam, 15 to 30 percent slopes	20.6	8.6%
LeE2	Lopez-Santa Lucia complex, 9 to 30 percent slopes, eroded	4.6	1.9%
ScE2	Santa Lucia gravelly clay loam, 15 to 30 percent slopes, eroded	16.1	6.7%
Totals for Area of Interest		**240.3**	**100.0%**

Pacific Pipeline Company (Sable Offshore Corp.)
Las Flores Pipelines CA-324 and CA-325 Repair and Maintenance Project
Habitat Restoration Plan Summary
January 7, 2025

Habitat restoration activities are proposed at the following location:

- Site No. 28065.19, located at approximately 34° 28' 6.4" N, 120° 06' 22.5" W, upstream of Hwy 101 at postmile 39, just east of Baron Ranch Trailhead

Table 1-1. Restoration Plan Summary

Restoration Activity	Action	Timing	Applicable Project Site
Topsoil and Seed Bank Salvage	Topsoil (the first 6 to 12 inches) removed for the excavation and stockpiled separately for use in restoring original contours and grading, and to promote rapid plant growth restoration.	Completed immediately following Project activities.	• Site No. 28065.19
Baseline Biological Survey and Evaluation	Complete baseline surveys within the Restoration Site and adjacent areas representative of the disturbed habitat types to establish restoration reference site.	Completed by Padre December 20, 2024.	• Site No. 28065.19
Erosion Control	Placement of biodegradable straw wattles, jute netting, or other appropriate storm water/erosion best management practices (BMPs), as recommend by the restoration biologist and stormwater management specialist.	Completed immediately following Project activities, with additional BMPs to be replaced following any additional restorative earthwork and recontouring.	• Site No. 28065.19
Revegetation (Seeding)	Hydroseed with appropriate seedmix at 30 lbs/acre: • Purple needlegrass (*Stipa pulchra*) - 60% • California Brome (*Bromus carinatus*) - 30% • Sky Lupine (*Lupinus nanus*) - 10%	Completed immediately following Project activities, with additional seeding (discussed below) to be completed following any additional restorative earthwork and recontouring.	• Site No. 28065.19

Pacific Pipeline Company (Sable Offshore Corp.)
Las Flores Pipelines CA-324 and CA-325 Repair and Maintenance Project
Habitat Restoration Plan Summary
January 7, 2025

Restoration Activity	Action	Timing	Applicable Project Site
Drainage Recontouring	Minor excavation of recontoured area to restore a natural drainage bottom (thalweg) and reduce or eliminate potential for scouring and downstream sedimentation. Mini-excavator or skid steer and hand tools are sufficient for this task. Spread and lightly compact excavated materials above margins of recontoured channel.	To be completed as soon as possible but scheduled outside of any measurable rain event.	• Site No. 28065.19
Revegetation (Seeding)	Hand seed with appropriate purchased seed mix at 30 lbs/acre: • Purple needlegrass (*Stipa pulchra*) - 60% • California Brome (*Bromus carinatus*) - 30% • Sky Lupine (*Lupinus nanus*) - 10% Hand rake seed into soil.	Purchase seed from commercial supplier from seed stock with local genetics. To be completed immediately following Project activities. Hand broadcast as soon as possible to take advantage of winter precipitation, after drainage recontouring has occurred.	• Site No. 28065.19
Revegetation (Seeding)	Hand collect seed and distribute onsite with appropriate seed mix at 5 lbs/acre: • California sagebrush (*Artemisia californica*) – 50% • Giant wildrye (*Elymus condensatus*) – 50% Hand rake seed into soil.	Collect seed (while still available) and hand broadcast as soon as possible to take advantage of winter precipitation, after drainage recontouring has occurred.	• Site No. 28065.19
Irrigation	The Restoration Site may be watered, as necessary, for the first year as recommended by the restoration biologist if rainfall is insufficient.	Following seeding, as needed.	• Site No. 28065.19
Maintenance	Weed abatement, maintenance of erosion control measures, as necessary.	Year 1 - Monthly Year 2 – Quarterly Year 3 – Quarterly Year 4-5 - Annually	• Site No. 28065.19

Pacific Pipeline Company (Sable Offshore Corp.)
Las Flores Pipelines CA-324 and CA-325 Repair and Maintenance Project
Habitat Restoration Plan Summary
January 7, 2025

Restoration Activity	Action	Timing	Applicable Project Site
Site Visits/Monitoring	Qualitative and/or quantitative surveys to investigate revegetation progress and determine maintenance recommendations.	Year 1-3 - Quarterly Year 4-5 - Annually	• Site No. 28065.19
Reporting	Reporting of all maintenance activities completed on site, results of site visits, discussion of revegetation success, and photographic documentation.	Annually for up to 5 years, or until performance criteria (once established) are met.	• Site No. 28065.19

SABLE
OFFSHORE CORP.

January 10, 2025

VIA ELECTRONIC MAIL ONLY

Ms. Thea S. Tryon
Assistant Executive Officer
Ms. April Woods
Mr. Phil Hammer
Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place
San Luis Obispo, CA 93401
Email: Thea.Tryon@waterboards.ca.gov
April.Woods@waterboards.ca.gov
Phillip.Hammer@waterboards.ca.gov

Re: RESPONSE TO NOTICE OF VIOLATION FOR UNAUTHORIZED DISCHARGE OF WASTE TO WATERS OF THE STATE, SANTA BARBARA COUNTY

Dear Ms. Tryon, Ms. Wood, and Mr. Hammer:

This letter follows Sable Offshore Corporation's ("Sable's") earlier correspondence of December 20, 2024, confirming receipt of the *Notice of Violation for Unauthorized Discharge of Waste to Waters of the State* ("NOV") and the *Directive to Obtain Regulatory Coverage for Unauthorized Discharge of Waste to Waters of the State* ("Directive") from the Central Coast Regional Water Quality Control Board ("Regional Water Board"), dated December 13, 2024. Following receipt of the NOV and the Directive, Sable promptly retained a qualified consultant, Padre Associates, Inc. ("Padre"), to evaluate the allegations in the NOV. The purpose of this follow-up letter is to: (1) present the results of Padre's evaluation; (2) propose a restoration plan concept; (3) discuss the appropriate permitting mechanism for the proposed restoration efforts; (4) confirm whether a pre-filing meeting is appropriate or can/should be waived; and (5) formalize a revised timeframe for submission of associated application materials.

On December 20, 2024, Padre conducted a field visit to the subject site, located at approximately 34° 28' 6.4" N, -120° 06' 22.5" W, upstream of Highway 101 at postmile 39, just east of Baron Ranch Trailhead ("Subject Site"). On January 9, 2025, Sable received from Padre an evaluation defining the scope of the jurisdictional features involved in the area where material was inadvertently placed, which amounts to .006 acres/60 linear feet of non-wetland waters of the State.

A copy of Padre's January 9, 2025 Aquatic Resource Delineation Report is attached hereto as **Attachment 1.**

To ameliorate the affected area, a habitat Restoration Plan is appropriate to remove material and restore the drainage area. Padre provided Sable with a proposed conceptual habitat Restoration Plan described in **Attachment 2** to this letter. Briefly, the restoration efforts include the following actions: (a) removing sediment from the drainage; (b) stockpiling the topsoil for use in restoration efforts; (c) restoring the vegetation within the affected area with appropriate species; (d) implementing erosion control measures; (e) conducting site visits to ensure maintenance of the restoration efforts; and (f) reporting monitoring and maintenance. Sable seeks to work cooperatively with the Regional Water Board on this effort as noted below.

The Regional Water Board's Directive suggested that Sable obtain regulatory coverage under *Statewide General Waste Discharge Requirements for Dredge or Fill Discharges to Waters Deemed by the U.S. Army Corps of Engineers to Be Outside Federal Jurisdiction* ("WQO 2004-0004") for the work performed. Given that the material was initially inadvertently placed in a jurisdictional feature, and Sable's intent is to immediately remove the material and restore the feature, Sable seeks concurrence from the Regional Water Board that WQO 2004-0004 is the appropriate mechanism by which to authorize the suggested near term restoration work, or if the State Water Resources Control Board's Waste Discharge Requirements for Restoration Projects Statewide, Order No. WQ 2022-0048-DWQ, is better suited as a mechanism to oversee the effort.

Sable further seeks to confirm whether a pre-filing meeting is needed to discuss the most efficient pathway to authorize Sable's restoration efforts, or whether feedback will be provided more informally, and the pre-filing meeting waived. Given the compressed schedule due to the intervening holidays and the feedback sought from the Regional Water Board, Sable seeks a brief extension of time to prepare and submit relevant permitting documentation, to January 31, 2025.[1]

With respect to the Regional Water Board's assertion in the NOV that Sable's work is likely subject to regulation under the National Pollutant Discharge Elimination System General Permit for Stormwater Discharges Associated with Construction and Land Disturbance Activities Order WQ 2022-0057-DWQ2 ("CGP"), Sable refers you to its separate January 10, 2025 response to the Regional Water Board's concurrently issued December 13, 2025 Notice of Non-Compliance, which concludes that pursuant to the express terms of the CGP pertaining to linear overhead and underground projects, permitting under that scheme is inapplicable.

Sable anticipates prompt resolution of this matter. We look forward to working with the Regional Water Board to finalize and implement a timely restoration effort.

[1] Given that Sable received the NOV and Directive shortly before the holidays, and notwithstanding the dedicated efforts of Sable's consulting experts over the holiday period to develop responsive information, this extension is reasonable.

Very truly yours,

Steve Rusch
Vice President, Regulatory and Environmental
Affairs

Cc: Stephanie Cook, California Coastal Commission, Stephanie.Cook@coastal.ca.gov
Wesley Horn, California Coastal Commission, Wesley.Horn@coastal.ca.gov
Errin Briggs, Santa Barbara County Planning & Development, EBriqqs@countyofsb.org
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Julie Vance, California Department of Fish and Wildlife, Julie.Vance@wildlife.ca.gov
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Jacqueline Tkac, Central Coast Water Board, Jacqueline.Tkac@waterboards.ca.gov
Nicole E. Granquist, Stoel Rives
Michael N. Mills, Stoel Rives

Enclosures:
Attachment 1, Aquatic Resource Delineation Report, Padre Associates, Inc., January 10, 2025
Attachment 2, Restoration Plan Summary, Padre Associates, Inc., January 10, 2025

February 21, 2025

Nicole E. Granquist
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VIA ELECTRONIC MAIL ONLY

Ms. Thea S. Tryon
Assistant Executive Officer
Ms. Jaqueline Tkac
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Jacqueline.Tkac@waterboards.ca.gov
Leah.Lemoine@waterboards.ca.gov

Re: SABLE OFFSHORE CORP, LAS FLORES PIPELINE SYSTEM, SANTA BARBARA, SAN LUIS OBISPO, AND KERN COUNTY - COVERAGE UNDER THE STATE WATER RESOURCES CONTROL BOARD'S GENERAL PERMIT FOR STORMWATER DISCHARGES

Dear Ms. Tryon, Ms. Tkac, and Ms. Lemoine:

Following our February 11, 2025 meeting, Sable Offshore Corporation ("Sable") provides this further response to the Central Coast Regional Water Quality Control Board ("Regional Water Board") regarding the inapplicability of State Water Resources Control Board's Order WQ 2022-0057-DWQ, *NPDES General Permit for Stormwater Discharges Associated with Construction and Land Disturbance Activities* ("Construction General Permit" or "CGP") to Sable's routine maintenance work associated with pipelines CA-324 and CA-325 (the "Las Flores Pipeline System") in Santa Barbara, San Luis Obispo, and Kern Counties.

During the parties' February 11, 2025 discussion, the Regional Water Board staff presented their interpretative perspective, that the CGP's "routine maintenance" exemption for linear pipeline projects applies only to operational upkeep for an active line. Asserting that the Las Flores Pipeline System is not an active line, Regional Water Board staff alleged that the routine maintenance exemption does not apply to Sable's anomaly repair work, and that Sable must procure coverage under the CGP. Regional Water Board staff relied solely on the phrase "associated with operation and maintenance activities" in the CGP to support their interpretation (CGP at Section II.D.).

While the Las Flores Pipeline System is not currently transporting product, Sable reaffirmed that the system is still categorized as active, maintained, and inspected pursuant to applicable regulations, and asserted that current anomaly repairs, whether one or many, clearly qualify as routine maintenance activities. To wit, Sable has been, and continues to be, engaged in a myriad of ongoing operation and maintenance obligations to maintain the System's active operational status. These include, but are not limited to:

- Aerial flight patrols on a weekly basis
- Weekly maintenance checks on Las Flores, Gaviota, Sisquoc, and Pentland pump stations
- Perform maintenance of active cathodic protection rectifiers and bonds for ongoing cathodic protection
- Perform annual Cathodic Protection Surveys
- Perform annual Atmospheric Inspection Surveys of all above-ground piping and valves
- Maintained nitrogen blanket on the pipeline for internal corrosion protection and monitor line pressure at stations weekly
- Maintain nitrogen on the transformer at Sisquoc pump station
- Maintain Damage Prevention (One Call) processes and procedures
- Maintain Public Awareness plans and procedures
- Perform annual water crossing surveys
- Maintain access roads to pipeline rights-of-way
- Multiple integrity digs to address anomaly repairs have been made by Plains and ExxonMobil and continue to be made by Sable over past several years
- Performed extensive cleaning pig runs to maintain internal pipeline integrity
- Performed multiple inline inspection tool runs to assess internal and external pipe integrity
- Perform bi-annual valve maintenance per DOT requirements (physical inspection, cycling of valves)
- Maintain APCD permits at pump stations
- Maintain SPCC at Sisquoc pump station for transformer
- Yearly inspection of fire extinguishers at pump stations
- Maintain and update pipeline markers and pump station signs
- Monitor AOCs (Abnormal Operating Conditions)

Further, Sable rejects the Regional Water Board's inference that the term "*operations*" in the phrase "associated with operations and maintenance activities" in the definition of "routine maintenance" set forth in Section II.D. of the CGP has a more than ordinary meaning, and somehow, without any further explanation or notation in the CGP, requires that a pipeline be consistently conveying a particular material in service at all times. Rather, the CGP broadly defines "routine maintenance projects" to include, but not be limited to, all "projects that are conducted to:

a. Maintain the original purpose of the facility or hydraulic capacity;

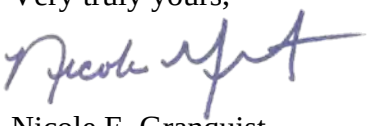
b. Update existing lines and facilities to comply with applicable codes, standards, and regulations regardless of if such projects result in increased capacity; and/or

c. Repair leaks."

(CGP at Section II.D.) There are no express or implied terms in the phrasing noted above that support the Regional Water Board's interpretation that projects only qualify as routine maintenance if being performed on a full pipeline.

For the reasons set forth herein, and in Sable's earlier correspondence on this topic, Sable continues to request the Regional Water Board withdraw the Notices of Non-Compliance, on the basis that the CGP is inapplicable to Sable's routine maintenance work. Notwithstanding the discussion above, Sable is submitting, under protest, an application for coverage under the CGP so as to avoid unnecessary enforcement under the Storm Water Enforcement Act (Cal. Water Code sections 13399.25 *et seq*.) the Regional Water Board is pursuing through the dual notices of non-compliance process. Given the brief timeframe provided between the parties' February 11, 2025 meeting and the Regional Water Board staff's demand that an application be submitted by February 21, 2025, as well as the difficulty of preparing documentation to support the application when the scope of the CGP's applicability is still very much in question, Sable will provide further documentation to support the application as it is prepared. Sable hopes and expects the parties to resolve the underlying issue of CGP applicability before then.

Very truly yours,



Nicole E. Granquist

Steve Rusch, Vice President, Regulatory & Environmental Affairs, Sable
Stephanie Cook, California Coastal Commission, Stephanie.Cook@coastal.ca.gov
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Julie Vance, California Department of Fish and Wildlife, Julie.Vance@wildlife.ca.gov
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Naomi Rubin, State Water Resources Control Board, Naomi.Rubin@waterboards.ca.gov
Todd Stanley, Central Coast Water Board, Todd.Stanley@waterboards.ca.gov
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Phillip Hammer, Central Coast Water Board, Phillip.Hammer@waterboards.ca.gov

SABLE
OFFSHORE CORP.

March 7, 2025

VIA ELECTRONIC MAIL ONLY

Ms. Thea S. Tryon
Assistant Executive Officer
Ms. April Woods
Mr. Phil Hammer
Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place
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Email: Thea.Tryon@waterboards.ca.gov
April.Woods@waterboards.ca.gov
Phillip.Hammer@waterboards.ca.gov

Re: RESPONSE TO REQUEST TO SUBMIT TECHNICAL REPORT ASSOCIATED WITH DISCHARGE OF EARTHEN MATERIAL TO WATERS OF THE STATE

Dear Ms. Tryon, Ms. Woods, and Mr. Hammer:

This submittal is in response to the Central Coast Regional Water Quality Control Board's ("Regional Water Board") January 22, 2025 request pursuant to California Water Code section 13267 (hereinafter referred to as the "Investigative Order") for Sable Offshore Corp. ("Sable") to submit a technical report associated with Sable's Las Flores Pipeline System Lines 324 (formerly Line 901) and Line 325 (formerly Line 903) ("Las Flores Pipeline System[1]"). Sable provides the Regional Water Board with its response to the Investigative Order subject to, and without modification of, its responses to date to the Regional Water Board's notice of violation/directive associated with alleged discharges to waters of the state ("NOV") and notices of non-compliance associated with permitting for stormwater ("NNC") sent to Sable on December 13, 2024 and January 22, 2025.

Sable's responses to each of the Regional Water Board's information requests in the Investigative Order are set forth in detail below.

[1] Sable objects to the Regional Water Board's characterization of the Las Flores Pipeline System as "since-abandoned" in the Investigative Order and refers Regional Water Board staff to Sable's February 21, 2025 correspondence that details the ongoing activity within the Las Flores Pipeline System.

1. Sable is conducting pipeline maintenance/repairs within the Las Flores Pipeline System.

2. Request Nos. 2.a. – 2.d.: The requested inventory of land disturbance activities associated with routine maintenance to the Las Flores Pipeline System that were or are currently active in the Central Coast region is enclosed. Please note that for Columns J and K of the inventory, Sable is listing the average land disturbance that occurred outside the rights of way/easements for all locations, since some locations were already completed by the time Sable received the Investigative Order, and actual values can no longer be measured. Based on field notes, Sable believes use of these values likely over-estimate the amount of land disturbance that occurred outside of rights of way/easements. Column L of the inventory, entitled "Class Status," is noting those locations where, as a result of resolution of judicial actions, expanded easements exist to provide all needed access for the pipeline maintenance/repairs. Excavation and repair activities noted in Column M include access areas, laydown yards, staging or stockpiling areas, hydrotesting, excavation, repair (can include pipeline repair, restoration and/or replacement, updates to safety and monitoring features, such as valve repair and installation, cathodic protection), backfill, re-vegetation, and monitoring/management activities.

   Request No. 2.e.: On September 27, 2024, the Coastal Commission issued Notice of Violation No. V-9-24-0152, which alleged that certain maintenance and repair and safety valve installation work activities undertaken by Sable on portions of the Las Flores Pipelines CA-324 and CA-325 located in the coastal zone constituted unpermitted development activities under the California Coastal Act (Cal. Pub. Res. Code Sections 30000, *et seq*.) (the "Coastal Act") and the County's Local Coastal Program ("LCP"). Sable stopped work at active repair sites in compliance with the Notice of Violation in order to explore Coastal Commission staff's allegations further with both Commission staff and the County. Sable also worked cooperatively with Commission staff to address immediate environmental concerns that were created by stopping work (*e.g*., risks related to the structure of the Las Flores Pipeline System, corrosion, flooding, hazards for livestock, and terrorism and vandalism). In light of these concerns, Sable complied with the Commission's November 12, 2024 Executive Director Cease and Desist Order No. ED-24-CD-02, backfilled the open repair sites (without completing the repairs), implemented erosion control best management practices, hydroseeded restored sites with a local native seed mix approved by Commission staff, installed protective fencing, and monitored each site to ensure effective erosion control measures. Sable also engaged in extensive discussions with County staff regarding the work. Executive Director Cease and Desist Order No. ED-24-CD-02 expired on February 10, 2025. On February 12, 2025, the County confirmed in writing that the repair and maintenance work ongoing at the time the Notice of Violation was received and planned for the immediate future was authorized by the pipelines' existing coastal development permits, final development plan, and environmental review, and therefore no new or separate Coastal Act authorization was required.

   On February 16, 2025, the Coastal Commission sent Sable a "Notice Prior to Issuance of Executive Director Cease and Desist Order" related to Sable's pipeline repair and maintenance activities and safety valve installation work. Given the Coastal Commission's decision to proceed with enforcement proceedings against Sable despite the County's February 12, 2025, confirmation that the subject repair and maintenance work did not require further Coastal Act authorization, Sable was forced to file suit against the Coastal

Commission on February 18, 2025. That same day, the Coastal Commission issued (i) Executive Director Cease and Desist Order No. ED-25-CD-01 with respect to such alleged unpermitted development activities, and (ii) a Notice of Intent to Commence Proceedings for a Commission Cease and Desist Order, Restoration Order, and Administrative Penalty Order with respect to such activities and other activities undertaken on offshore portions of the pipelines.

The California Department of Fish and Wildlife ("CDFW") issued a Notice of Potential Fish and Game Code Violations on December 17, 2024, to which Sable responded on January 13, 2025. Sable is in the process of submitting permit applications to CDFW, the Regional Water Board and the U.S. Army Corps of Engineers, as appropriate, to restore drainage features (waters) disturbed during repair work. The Regional Water Board is already aware of the NOV and NNCs that it issued to Sable, and Sable's responses thereto; thus, Sable will not repeat here. Additional information can be accessed at the California Natural Resources Agency webpage, located at: https://resources.ca.gov/SearchResults?search=sable.

Request No. 2.f.: Sable refers the Regional Water Board to the October 5, 2020 Biological Resources Assessment (2nd Revised) prepared by SCS Engineers referenced in the Investigative Order.

3. Sable is in the process of performing the requested assessment and will provide the results on or before April 15, 2025.

4. Sable provided a description of onsite restoration activities in the January 31, 2025 permit application submitted to the Regional Water Board for the East of Baron Ranch site. Sable notes that due to the temporary nature of impacts, offsite compensatory mitigation is not pursued.

5. Sable encloses a checklist that will be incorporated into its policies and procedures.

Pursuant to California Water Code section 13267(b)(1), I, Steve Rusch, certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision, and the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant civil penalties for submitting false information.

Very truly yours,

Steve Rusch

Steve Rusch
Vice President, Regulatory and Environmental Affairs

Enclosures

Cc: Stephanie Cook, California Coastal Commission, Stephanie.Cook@coastal.ca.gov
Wesley Horn, California Coastal Commission, Wesley.Horn@coastal.ca.gov
Errin Briggs, Santa Barbara County Planning & Development, EBriqqs@countyofsb.org
Jim Hosler, CAL FIRE, Jim.Hosler@fire.ca.gov

Julie Vance, California Department of Fish and Wildlife, Julie.Vance@wildlife.ca.gov
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Nicole E. Granquist, Stoel Rives
Michael N. Mills, Stoel Rives

SABLE OFFSHORE CORP.

Checklist for Water Resources*
Las Flores Pipeline System (Lines 324 and 325)

Prior to beginning work, complete the checklist to determine applicability of water-resource related environmental authorizations requirements.

☐ **Step One: Identify Work Area.**

☐ **Step Two: Review or perform Aquatic Delineation.**
Review existing jurisdictional aquatic delineation, or perform a new jurisdictional aquatic delineation to determine if any features on *or near* the anomaly project site are "waters of the State," "waters of the United States," or associated riparian areas subject to federal or state agency jurisdiction.

☐ **Step Three: Avoidance Measures.** Determine if Sable can perform the work to avoid disturbance to waters and associated riparian areas. If disturbance cannot be avoided, and discharges of dredged or fill material will occur to waters, proceed to Step Four.

☐ **Step Four: Proceed with Notification and/or Authorization To Conduct Work**

- ☐ **Waters of the United States (WOTUS)** – If WOTUS and/or CDFW bed, channel, or bank of river, stream, or lake identified and involved, proceed with notification and authorization as follows:
  - Clean Water Act (CWA) Section 404 Permit from U.S. Army Corps of Engineers
  - CWA 401 Certification from State/Regional Water Quality Control Board
  - Lake and Streambed Alteration Agreement (LSAA) from California Department of Fish and Wildlife (CDFW)
- ☐ **Waters of the State (WOTS)** - If WOTS and/or CDFW bed, channel, or bank of river, stream, or lake identified and involved, proceed with notification and authorization as follows:
  - Waste Discharge Requirements (WDRs) from State/Regional Water Quality Control Boards under California's Porter-Cologne Water Quality Control Act.
  - LSAA from California Department of Fish and Wildlife
- ☐ **General Construction Stormwater NPDES Permit**
  - If activity is routine maintenance within existing Rights of Way/Easements, document, no coverage needed.
  - If not routine maintenance or outside existing Rights of Way/Easements, and more than 1 acre of land disturbance, secure coverage under this permit.

* This checklist pertains only to authorizations that may be applicable to water resources.

David Wolff Environmental, LLC
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(805) 235-5223

April 15, 2025

SUBJECT: Sable Offshore Corp Line 324 Inline Integrity Inspection Waters of the State Biological Resources Assessment.

David Wolff Environmental (DWE) is providing this biological resources assessment for the Sable Offshore Corps. (Sable) inline integrity inspection for four digs along the Gaviota Coast ecoregion. DWE Principal Ecologist David Wolff conducted a review of available background data, available aerial photographs, and field surveys to review habitat characteristics of the four dig locations located in waters of the State. The purpose of this assessment is to document existing conditions in terms of habitat for plant and wildlife species, suitability to support special-status species, and temporary impacts within the jurisdictional limits of waters of the State.

Integrity Digs Location Biological Resources Characteristics

The available background data review included the query results from the California Natural Diversity Data Base (CNDDB) for information of special-status species occurrences within a ten-mile radius of the site, and the USGS Biodiversity Information Serving Our Nation (BISON) a web-based Federal mapping resource for common and special-status plant and wildlife species occurrence data in the United States. BISON includes data from numerous systems and formats that include field surveys, and museum and herbarium specimen collection records. The field surveys documented the location and jurisdictional extent of waters of the State crossed by the pipeline at the integrity dig locations.

The four dig sites occur in the Gaviota Coast Ecoregion that is characterized mostly by non-native annual grassland habitat along rolling hillsides interspersed by woody vegetated riparian corridors, rugged coastline, steep mountainous areas with shrub/scrub and oak woodland covered hillsides. Grazing practices are common along with occasional orchards.

The following characterizes the habitat context for the four digs:

All four dig locations are located in the context of disturbed non-native annual grassland habitat or *Bromus diandrus, B. hordeaceus – Brachypodium distachyon Semi-Natural Herbaceous Stands* (*A manual of California vegetation, 2nd edition*; Sawyer et al. 2009), dominated by non-native annual grasses and herbaceous broadleaf plant species, along with occasional native forbs and wildflowers. Annual grassland habitat is typically relatively low in plant species diversity dominated by non-native grasses typical of the region. Expanses of non-native annual grassland surround the sites with patches of coastal scrub and oak trees not impacted by any of the four digs.

- Dig 0324-2022-0023097.83 – Not mapped ESHA; weedy non-native grassland swale.

- Dig 0324-2022-0029824.49 – Not mapped ESHA; weedy non-native grassland swale
- Dig 0324-2022-0050408.79 & 0324-2022-0050421.48 – Not mapped ESHA; 8' wide mud clay bottom swale with embedded hoof prints (wetland analysis pending) as heavily impacted by cattle grazing with no vegetation left..

The CNDDB and BISON recorded six (6) special-status plant species, one natural community of special concern, and fifteen (15) special-status wildlife species in the vicinity of the four Gaviota Coast Ecoregion integrity dig locations. None of these species have recorded presence or suitable habitat on any of the dig sites and none have been observed. Regional special-status species occurrences are in specific habitat niches (such as perennial aquatic habitat) that do not occur at any of the integrity dig waters of the State locations as summarized in the Table BIO-1 below.

TABLE BIO-1
CNDDB/BISON DATABASE SPECIAL-STATUS SPECIES IN REGION

SPECIES / STATUS	POTENTIAL TO OCCUR WITHIN WORK AREA?		COMMENTS
	Yes	No	
Brewer's calandrinia (*Calandrinia breweri*) (CNPS 4.2)		X	Grassland habitat of dig sites not suitable for these coastal scrub and chapparal species. Not observed.
Catalina mariposa lily (*Calochortus catalinae*) (CNPS 4.2)		X	
Santa Barbara honeysuckle (*Lonicera subspicata* var. *subspicata*) (CNPS 1B.2)		X	Grassland habitat of dig sites not suitable for these coastal scrub and chapparal species. Not observed.
White-veined monardella (*Monardella hypoleuca* ssp. *hypoleuca*) (CNPS 1.B.3)		X	
San Diego desert woodrat (*Neotoma lepida intermedia*) (CA species of special concern)		X	Rocky coastal scrub or chapparal not present within dig sites.
Sonora maiden hair fern (*Thelypteris puberula* var. *sonorensisi*) (CNPS 2.B.2)		X	This species only occurs within wetland, seep, or riparian habitats. Not observed in wetland swales.
Gaviota tarplant (*Deinandra increscens ssp. villosa*)		X	Outside the range of the species known from patchy occurrences recorded further west on the Gaviota coast. Not observed.
Purple needlegrass grassland (natural community of special concern)	X		No needlegrass observed at dig sites.
Coast range newt (CA species of special concern)		X	No suitable habitat on dig sites. These species require freshwater aquatic, marine, estuary, and/or riparian habitats that
California red-legged frog		X	

TABLE BIO-1 CNDDB/BISON DATABASE SPECIAL-STATUS SPECIES IN REGION			
SPECIES / STATUS	POTENTIAL TO OCCUR WITHIN WORK AREA?		COMMENTS
	Yes	No	
(Federal Threatened)			are not present in the upland grassland setting of the dig sites.
Foothill yellow legged frog (CA Endangered)		X	
Western pond turtle (CA species of special concern)		X	
Steelhead (Federal Endangered)		X	
Tidewater goby (Federal Endangered)		X	
Yellow warbler (CA species of special concern)		X	
American Badger (CA species of special concern)		X	Not observed at dig sites.
Golden eagle CDFW Fully Protected	X		These species could be infrequent foragers in the region. Short-term temporary impacts not significant on foraging habitat. No suitable nesting habitat on the dig sites.
Cooper's hawk (CDFW Watch List)	X		
Prairie falcon (CDFW Watch List)	X		
White-tailed kite (CDFW Fully Protected)	X		
Loggerhead shrike (CA species of special concern)		X	Typically found in grasslands with nearby shrubs for perching and nesting; dig sites have no shrub cover for this species.
Monarch butterfly (Federal Candidate)		X	Winter roosts are in groves of trees that do not occur on or near any dig sites.

The dig sites work area consists of disturbed non-native grassland typical of the region within narrow swale waters of the State as described above. Minimal de minimus effects on any locally common ground dwelling small wildlife may result with no impairment to wildlife movement. The sites do not support suitable habitat for any special-status plant or wildlife species except for potential brief foraging from wide-ranging raptors.

Due to the limited size and temporary disturbance in predominantly disturbed non-native annual grassland, the integrity inspections and repair would not result in any effect on any rare, threatened or endangered species in particular special-status aquatic species would not occur. Given the minimal and less than significant temporary impacts on biological resources from the integrity inspection and repair, implementation of the Construction BMPs, and site

restoration to original contours, no additional biological resources protection measures are recommended.
Please contact me directly if you have any questions or need any additional information.

Sincerely,



Owner, Principal Ecologist

SABLE
OFFSHORE CORP.

April 15, 2025

VIA ELECTRONIC MAIL ONLY

Ms. Thea S. Tryon
Assistant Executive Officer
Ms. April Woods
Mr. Phil Hammer
Regional Water Quality Control Board
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Phillip.Hammer@waterboards.ca.gov

Re: FURTHER RESPONSE TO REQUEST TO SUBMIT TECHNICAL REPORT ASSOCIATED WITH DISCHARGE OF EARTHEN MATERIAL TO WATERS OF THE STATE

Dear Ms. Tryon, Ms. Woods, and Mr. Hammer:

This submittal is in further response to the Central Coast Regional Water Quality Control Board's ("Regional Water Board") January 22, 2025 request pursuant to California Water Code section 13267 (hereinafter referred to as the "Investigative Order") for Sable Offshore Corp. ("Sable") to submit a technical report associated with Sable's Las Flores Pipeline System Lines 324 (formerly Line 901) and Line 325 (formerly Line 903) ("Las Flores Pipeline System[1]"). Sable provides the Regional Water Board with its supplemental response to the Investigative Order subject to, and without modification of, its responses to date to the Regional Water Board's notice of violation/directive associated with alleged discharges to waters of the state ("NOV") and notices of non-compliance associated with permitting for stormwater ("NNC") sent to Sable on December 13, 2024 and January 22, 2025.

On March 7, 2025, Sable timely provided the Regional Water Board with responses to Investigative Order Request Nos. 1, 2, 4 and 5. The purpose of this submittal is to provide Sable's

[1] Sable objects to the Regional Water Board's characterization of the Las Flores Pipeline System as "since-abandoned" in the Investigative Order and refers Regional Water Board staff to Sable's February 21, 2025 correspondence that details the ongoing activity within the Las Flores Pipeline System.

supplemental response to Request No. 3, which required additional time to prepare. Consistent with the responses previously provided, and the terms of the Investigative Order, Sable's response pertains to those locations that were completed or were currently active in the Central Coast region at the time of the March 7, 2025 submittal, and exclude those locations presently subject to Notices by the Regional Water Board and the California Department of Fish & Wildlife. Please see the information set forth in Table 1 below

Table 1 – Response to Jan. 2025 Investigative Report Inquiry No. 3

Sable ID	**Quantify areas of disturbance**	**Amount of material discharged (gallons or cubic yards) to waters of the State**	**Biological assessment**	**Detailed description of actions**
0324-2022-0023097.83	Weedy, non-native grassland drainage swale with 18" wide scour. .0016 acres of swale disturbance, involving 45' linear feet of drainage swale. Standard BMPs were employed with project. The drainage swale was restored at the time the work was performed. No further work is prescribed.	Net zero as material removed was returned in like and kind and feature has returned to its original function.	Weedy non-native grassland swale. *See* enclosed April 15, 2025 Biological Resources Assessment.	The site was excavated and shoring boxes were installed. A segment of the pipeline was removed and replaced to address the anomaly. The site was backfilled, compacted, and restored to native grade. The site was then seeded. Standard BMPs were implemented throughout the repair process.

0324-2022-0029824.49	Weedy non-native grassland drainage swale. .0086 acres of disturbance, involving 125' linear feet of drainage swale. Standard BMPs were employed with project. The drainage swale was restored at the time the work was performed. No further work is prescribed.	Net zero as material removed was returned in like and kind and feature has returned to its original function.	Weedy non-native grassland drainage swale. *See* enclosed April 15, 2025 Biological Resources Assessment.	The site was excavated and shoring was installed. A segement of the pipeline was removed and repalced to address the anomaly. The site was backfilled, compacted, and restored to native grade. The site was then seeded. Standard BMPs were implemented throughout the repair process.
0324-2022-0050408.79 & 0324-2022-0050421.48 (two locations near same area}	Wide mud bottom swale (wetland analysis pending) heavily impacted by cattle grazing (no vegetation left). .0117 acres of disturbance, involving 64' linear feet. Standard BMPs were employed with project. The area was restored at the time the work was performed. No further work is prescribed.	Net zero as material removed was returned in like and kind and feature has returned to its original function.	*See* enclosed April 15, 2025 Biological Resources Assessment	The sites were excavated and shoring boxes were installed. Segments of the pipeline were removed and replaced to address the anomalies. The site was backfilled, compacted, and restored to native grade. The site was then seeded, where appropriate. Standard BMPs were implemented throughout the repair process. Jute netting was also installed to stabilize the slopes

Pursuant to California Water Code section 13267(b)(1), I, Steve Rusch, certify under penalty of law that this document and all attachments were prepared by me, or under my direction or supervision, and the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant civil penalties for submitting false information.

Very truly yours,

/s/ Steve Rusch (original to follow)

Steve Rusch
Vice President, Regulatory and Environmental
Affairs

Enclosure

Cc: Stephanie Cook, California Coastal Commission, Stephanie.Cook@coastal.ca.gov
Wesley Horn, California Coastal Commission, Wesley.Horn@coastal.ca.gov
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Michael N. Mills, Stoel Rives

SABLE
OFFSHORE CORP.

June 11, 2025

VIA ELECTRONIC MAIL ONLY

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Re: RESPONSE TO APRIL 15, 2025 NOTICE OF VIOLATION FOR ALLEGED UNAUTHORIZED DISCHARGE OF WASTE TO WATERS OF THE STATE, SANTA BARBARA COUNTY

Dear Ms. Schroeter, Ms. Wood, and Mr. Hammer:

Sable Offshore Corp. ("Sable") is in receipt of the Central Coast Regional Water Quality Control Board's ("Regional Water Board") April 15, 2025 correspondence entitled *Notice of Violation for Unauthorized Discharge of Waste to Waters of the State and United States and Failure to Report, Santa Barbara and San Luis Obispo Counties* ("NOV"), related to maintenance of Lines 324 and 325, and provides the detailed response below.

Sable notes its disagreement with the Regional Water Board's assertion that Sable has not reported the information required by the Regional Water Board's January 22, 2025 investigative order issued pursuant to California Water Code section 13267 ("Investigative Order"). Sable submitted its initial response to the Investigative Order on March 7, 2025, and submitted a supplemental response on April 15, 2025, as Sable had previously committed to do in the initial submission.

With respect to the Regional Water Board's assertion in the NOV that Sable's work may be subject to regulation under the National Pollutant Discharge Elimination System General Permit for Stormwater Discharges Associated with Construction and Land Disturbance Activities Order WQ 2022-0057-DWQ2 ("CGP"), Sable refers you to its separate January 10, 2025 and February 21,

2025 responses to the Regional Water Board's December 13, 2025 Notice of Non-Compliance, which concludes that pursuant to the express terms of the CGP pertaining to linear overhead and underground projects, permitting under that scheme is inapplicable. Sable's application for enrollment, under protest, was filed in the event land disturbance activities outside the existing right-of-way were expected to exceed the permit applicability threshold of one acre, which did not occur. Sable subsequently analyzed remaining maintenance activities to assess whether CGP coverage was necessary, even if rights-of-way were not considered as prescribed by the routine maintenance exemption in the CGP, and Sable confirmed inapplicability of the CGP since an acre of land was not disturbed within a quarter-mile radius.

Regarding the reference to Sable placing "sand and cement filled bags on the ocean floor below and adjacent to Sable's out-of-service offshore oil and water pipelines," Sable directs the Regional Water Board staff to its March 10, 2025 Statement of Defense sent to the California Coastal Commission, which describes the pipeline span work/activity in detail, and also provides a summary of the applicable approval process that Sable engaged in with the State Lands Commission. We have attached a copy of that March 2025 submittal here, and direct you to pages 42 and 52 – 62.

The Regional Water Board's April 16, 2025 Directive instructs Sable to submit a report of waste discharge for regulatory coverage for all discharges of waste that could affect the quality of waters of the state (e.g., via *Statewide General Waste Discharge Requirements for Dredge or Fill Discharges to Waters Deemed by the U.S. Army Corps of Engineers to Be Outside Federal Jurisdiction* ("WQO 2004-0004")). Based on the summary below, a report of waste discharge is either being pursued, or is unnecessary, for the sites described. Sable seeks concurrence from Regional Water Board staff.

Regarding the specific sites raised by the Regional Water Board, Sable provides the following information:

- RWB Site 1 – Venadito Canyon Road (34.4649 N, -120.052 W), Sable ID 0324-2022-0009495.75: A 30-foot wide by 25-foot long area (750 sq. ft. or 0.02 acre) of riparian vegetation outside the top of bank was temporarily disturbed (no in-channel waters of the State ("WOTS") or waters of the United States ("WOTUS") were disturbed). As such, total riparian impacts appear to be 0.02 acres of temporary impacts, without any disturbance to WOTS or WOTUS. The disturbance area was hydroseeded and dressed with wattles, and is already showing signs of revegetation, which Sable can monitor over the course of 2025, and conduct weeding of non-native species, if any. The Regional Water Board's assertion that "loose bare soil and slash at the site are unauthorized discharges of waste" is not supported by the site conditions and/or the measures installed.

No permitting is necessary for this location. Neither the California Water Code nor the State Water Resources Control Board's ("State Water Board") April 6, 2021 "State Policy for Water Quality Control: State Wetland Definition and Procedures for Discharges of Dredged or Fill Material to Waters of the State" (referred to as the "Procedures") prescribe permitting solely for the disturbance of riparian vegetation without a concurrent disturbance to waters of the State. The State Water Board confirmed that stand alone riparian areas are not yet incorporated into permitting requirements set forth in Water Code section 13260 or the Procedures, and that such an effort is not likely until the State Water Board moves into Phase 3 of the Procedures development, which is not yet scheduled. *See* April 6, 2021 Staff Report in support of the Procedures, at page 46 (noting the

State Water Board completed Phase 1 of the Procedures in 2021, and neither Phase 2 or Phase 3 have been announced as forthcoming; Phase 3 is described as the process to extend the Procedures to identifying and protecting water quality benefits provided by riparian areas). WOTS are specifically defined in Water Code section 13050(e) and Section II of the Procedures, and notably, riparian areas are not included. Further confirming that riparian areas are not WOTS, is the definition of the term "buffers," in the Procedures, defined as "an upland, wetland, and/or *riparian area that protects and/or enhances aquatic resource functions associated with waters of the state* from disturbances associated with adjacent land uses." [1] *See* Procedures at Appendix A, Subpart J, section 230.92 (emphasis added). Should the Regional Water Board disagree with Sable's assessment, please provide specific authority requiring permitting where disturbance is solely to a riparian area for Sable's consideration.

- RWB Site 7- Arroyo Quemado (34.4734 N, -120.119 W), Sable ID 0324-2022-0032500.09: A temporary access route was established, the lower 115 feet of which (575 sq. ft or 0.01 acre) straddles the western edge of riparian vegetation, this area is well outside the channel; some loose bare soil associated with road cut/fill is present. Sable plans to capture that material by recontouring the access route feature, to remove any potential engagement with riparian areas, and will restore the upland slope feature that is just outside of jurisdiction. As for the work area, a 35-foot width by average of 40 feet long (1,400 sq. ft or 0.03 acre) portion is potentially within the riparian corridor. The work area itself is dressed with straw wattles, and is lightly covered in mulch (giant wildrye slash), and is mildly sloping towards the drainage. In sum, total temporary impacts only to riparian area appear to have occurred, that comprise, at most, 0.04 acres, without any disturbance to WOTS or WOTUS. No further permitting is needed; please refer to Sable's discussion above.

The remaining work area is located in upland giant wildrye grassland, with the eastern edge of the work area eight feet from the top of the west bank of Arroyo Quemado, and all the streambank vegetation is untouched. A small amount of woody slash is present above the bank, but is integrated into the vegetation as wildlife habitat, and is stable from risking discharge into the drainage. No slash or the appearance of previous placement of slash in the flowing stream was observed (i.e., the streambed and banks appeared completely unaffected). Based on observed site conditions, Sable strongly disagrees with the Regional Water Board's assertion that "[f]reshly cut tree branches and other vegetation, which appeared to have been generated from work conducted by Sable in the riparian area, was observed as dumped waste in the flowing stream."

- RWB Site F7/F8 - unnamed drainage (34.4737 N, -120.176 W), Sable ID 0324-2022-0050408.79: Work at this location is complete, and the banks and bed of the WOTS (that has been determined not to be WOTUS) were already recontoured/restored and dressed with jute netting; annual grassland and mustard vegetation is establishing, and no piles of loose soil are present. Straw wattles were placed on the work area. The surrounding area is completely colonized by non-native black mustard and annual grasses, and is an active ranch. The jute netting and wattles have been damaged by cattle activity. Sable plans to remove the damaged portions of the jute netting,

[1] The Procedures further state, when discussing compensatory mitigation, that the "permitting authority may require the restoration, establishment, enhancement, and preservation, as well as the maintenance, of riparian areas and/or buffers *around* aquatic resources where necessary to ensure the long-term viability of those resources."

and will repair the straw wattles. Sable will submit after-the-fact permitting for the disturbance to WOTS.

- RWB Site F10 – unnamed drainage (34.4758 N, -120.196 W), Sable ID 0324-2022-0056868.13: Work occurred from the east, down an upland slope to the east bank of this unnamed drainage. The excavation itself was completely above the east bank and channel, but vegetation was removed to the ground level down to the toe of the east bank, with root systems left intact, which are currently beginning to grow back. Vegetation on the opposite (west) bank was left unaffected and is intact. Silt fence was placed along the lower edge of the work area above the top of bank during work activities and has since been removed. The access route on the east slope above was reseeded with the approved native coastal seed mix (purple needlegrass, California brome and sky lupine), and dressed with jute netting and straw wattles.

The drainage measures an ordinary high-water mark of 5 feet (this area would be characterized as WOTUS), and top of bank width of 30 feet (this area could be characterized as WOTS). None of the work presented disturbance or impacts to WOTS or WOTUS, and Sable documentation of silt fence along the top of bank is further assurance that a discharge to waters was avoided. As noted above, impacts to riparian areas only were temporary along the east bank, measuring 10 feet wide by 55 feet long (550 sq. ft, or 0.01 acre), in the form of vegetation trimming to the ground level, mainly of poison oak (resprouting), and one (1) 6-inch diameter arroyo willow branch cut. No further permitting is needed; please refer to Sable's discussion above.

No woody slash or soil piles were observed within the banks or channel. The bank has naturally loose soil, and is steeply sloped, so there is minor erosion potential there, but is held intact by woody root systems that were left in place and are currently crown-sprouting. No evidence of a discharge of sediment was observed, nor any need to address a previous discharge. As noted above, erosion and sediment control efforts were implemented, including project-incorporated silt fence, and post-project installation of jute netting, straw wattles, and seed application. No additional work is prescribed, as the natural regeneration of vegetation on the bank is occurring, and erosion controls installed there appear sufficient.

Sable anticipates prompt resolution of this matter. We look forward to working with the Regional Water Board.

Very truly yours,

Steve Rusch

Steve Rusch
Vice President, Regulatory and Environmental Affairs

Cc: Stephanie Cook, California Coastal Commission, Stephanie.Cook@coastal.ca.gov
Wesley Horn, California Coastal Commission, Wesley.Horn@coastal.ca.gov
Errin Briggs, Santa Barbara County Planning & Development, EBriggs@countyofsb.org
Jim Hosler, CAL FIRE, Jim.Hosler@fire.ca.gov
Julie Vance, California Department of Fish and Wildlife, Julie.Vance@wildlife.ca.gov
Linda Connolly, California Department of Fish and Wildlife, Linda.Connolly@wildlife.ca.gov

Ryan Lodge, Central Coast Water Board, Ryan.Lodge@waterboards.ca.gov
Naomi Rubin, State Water Resources Control Board, Naomi.Rubin@waterboards.ca.gov
Todd Stanley, Central Coast Water Board, Todd.Stanley@waterboards.ca.gov
Harvey Packard, Central Coast Water Board, Harvey.Packard@waterboards.ca.gov
Tamara Anderson, Central Coast Water Board, Tamara.Anderson@waterboards.ca.gov
Leah Lemoine, Central Coast Water Board, Leah.Lemoine@Waterboards.ca.gov
Jesse Woodard, Central Coast Water Board, Jesse.Woodard@waterboards.ca.gov
Jacqueline Tkac, Central Coast Water Board, Jacqueline.Tkac@waterboards.ca.gov
Nicole E. Granquist, Stoel Rives
Michael N. Mills, Stoel Rives

Enclosures:
Attachment 1, March 10, 2025 Statement of Defense

EXHIBIT 20

Central Coast Regional Water Quality Control Board

December 4, 2025

VIA ELECTRONIC MAIL

Lance Yearwood
Sable Offshore Corp.
845 Texas Avenue, Suite 2900
Houston, TX 77002
E-mail: lyearwood@sableoffshore.com

Dear Lance Yearwood:

COMPLETE NOTICE OF INTENT FOR TRIBUTARIES TO EPHEMERAL STREAMBEDS PROJECT, PROJECT NO. 34225WQ17, SANTA BARBARA COUNTY

The Central Coast Regional Water Quality Control Board (Central Coast Water Board) has received and reviewed Sable Offshore Corp.'s November 25, 2025 response to our November 21, 2025 letter titled *Second Incomplete Notice of Intent for Tributaries to Ephemeral Streambeds, Project No. 34225WQ17, Santa Barbara County* (November 21, 2025 letter).

Central Coast Water Board staff find that the submitted *Revised Mitigation Plan - Las Flores Pipelines CA-324 and CA-325 Repair and Maintenance Project at Nine Locations from Venadito Canyon to Gaviota State Park, Santa Barbara County* dated November 2025 addresses the issues identified in our November 21, 2025 letter. Central Coast Water Board staff finds the Notice of Intent for the Tributaries to Ephemeral Streambeds Project (Project No. 34225WQ17) to now be complete.

The proposed discharge is not authorized until you have received a Notice of Applicability. Central Coast Water Board staff will take action on your complete Notice of Intent within the required timeframe.

If you have questions, please contact **April Woods** at (805) 549 3332 or via email at April.Woods@waterboards.ca.gov or Phil Hammer at (805) 549-3882.

Sincerely,

Digitally signed by Phillip Hammer
Date: 2025.12.04 14:54:21 -08'00'

for
Ryan E. Lodge
Executive Officer

cc:

Steve Rusch, Sable Offshore Corp., SRusch@sableoffshore.com
Chris Dunn, Padre Associates, Inc., CDunn@padreinc.com
Frederic Rieman, CA Department of Fish and Wildlife, Frederic.Rieman@wildlife.ca.gov
Cassidy Teufel, California Coastal Commission, Cassidy.Teufel@coastal.ca.gov
401 Program, State Water Resources Control Board, Stateboard401@waterboards.ca.gov
April Woods, Central Coast Water Board, April.Woods@waterboards.ca.gov
Tamara Anderson, Central Coast Water Board, Tamara.Anderson@waterboards.ca.gov
Naomi Rubin, State Water Resources Control Board, Naomi.Rubin@waterboards.ca.gov
Sophie Froelich, State Water Resources Control Board, Sophie.Froelich@waterboards.ca.gov

Central Coast Regional Water Quality Control Board

December 4, 2025

VIA ELECTRONIC MAIL

Lance Yearwood
Sable Offshore Corp.
845 Texas Avenue, Suite 2900
Houston, TX 77002
E-mail: lyearwood@sableoffshore.com

Dear Lance Yearwood:

COMPLETE NOTICE OF INTENT FOR TRIBUTARIES TO VENADITO CANYON CREEK, ARROYO QUEMADO, AND ARROYO HONDO PROJECT, PROJECT NO. 34225WQ16, SANTA BARBARA COUNTY

The Central Coast Regional Water Quality Control Board (Central Coast Water Board) has received and reviewed Sable Offshore Corp.'s November 25, 2025 response to our November 21, 2025 letter titled *Second Incomplete Notice of Intent for Tributaries to Venadito Canyon Creek, Arroyo Quemado, and Arroyo Hondo Project, Project No. 34225WQ16, Santa Barbara County* (November 21, 2025 letter).

Central Coast Water Board staff find that the submitted *Revised Mitigation Plan - Las Flores Pipelines CA-324 and CA-325 Repair and Maintenance Project at Nine Locations from Venadito Canyon to Gaviota State Park, Santa Barbara County* dated November 2025 addresses the issues identified in our November 21, 2025 letter. Central Coast Water Board staff finds the Notice of Intent for the Tributaries to Venadito Canyon Creek, Arroyo Quemado, and Arroyo Hondo Project (Project No. 34225WQ16) to now be complete.

The proposed discharge is not authorized until you have received a Notice of Applicability. Central Coast Water Board staff will take action on your complete Notice of Intent within the required timeframe.

If you have questions, please contact **April Woods** at (805) 549 3332 or via email at April.Woods@waterboards.ca.gov or Phil Hammer at (805) 549-3882.

Sincerely,

Digitally signed by Phillip Hammer
Date: 2025.12.04 09:23:51 -08'00'

for
Ryan E. Lodge
Executive Officer

cc:

Steve Rusch, Sable Offshore Corp., SRusch@sableoffshore.com
Chris Dunn, Padre Associates, Inc., CDunn@padreinc.com
Frederic Rieman, CA Department of Fish and Wildlife, Frederic.Rieman@wildlife.ca.gov
Cassidy Teufel, California Coastal Commission, Cassidy.Teufel@coastal.ca.gov
401 Program, State Water Resources Control Board, Stateboard401@waterboards.ca.gov
April Woods, Central Coast Water Board, April.Woods@waterboards.ca.gov
Tamara Anderson, Central Coast Water Board, Tamara.Anderson@waterboards.ca.gov
Naomi Rubin, State Water Resources Control Board, Naomi.Rubin@waterboards.ca.gov
Sophie Froelich, State Water Resources Control Board, Sophie.Froelich@waterboards.ca.gov

EXHIBIT 21

Docusign Envelope ID: C18362A0-ADC7-4B4A-A102-5117EC91336C

State of California – Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
Central Region
1234 East Shaw Avenue
Fresno, California 93710
www.wildlife.ca.gov

GAVIN NEWSOM, Governor
CHARLTON H. BONHAM, Director

September 16, 2025

Brian Lance Yearwood
Sable Offshore Corporation
845 Texas Avenue, Suite 2920
Houston, Texas 77002

Subject: Final Lake or Streambed Alteration Agreement
Notification No. EPIMS-SLO-57972-R4
Las Flores Pipeline CA-325 Repair Remediation Project
Unnamed Tributary to the Cuyama River – San Luis Obispo County

Dear Brian L. Yearwood:

Attached is the final Streambed Alteration Agreement (Agreement) for the Las Flores Pipeline CA-325 Repair Remediation Project (Project). Before the California Department of Fish and Wildlife (CDFW) may issue an Agreement, it must comply with the California Environmental Quality Act (CEQA). In this case, CDFW has determined that your Project is exempt from CEQA and will file a Notice of Exemption (NOE).

Pursuant to CEQA Guidelines section 15062(d), the filing of an NOE starts a 35-day statute of limitations period during which an interested party may challenge the filing agency's approval of the Project. You may begin the Project before the statute of limitations expires if you have obtained all necessary local, state, and federal permits or other authorizations. However, if you elect to do so, it will be at your own risk.

If you have questions regarding this letter, please contact Heather Rodriguez, Senior Environmental Scientist (Specialist), at (559) 578-0836 or by email at Heather.Rodriguez@wildlife.ca.gov.

Sincerely,

DocuSigned by:
Julie Vance
FA83F09FE08945A...
Julie A. Vance
Regional Manager

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE
REGION 4 - CENTRAL REGION
1234 EAST SHAW AVENUE
FRESNO, CALIFORNIA 93710

STREAMBED ALTERATION AGREEMENT
NOTIFICATION NO. EPIMS-SLO-57972-R4
UNNAMED TRIBUTARY TO THE CUYAMA RIVER – SAN LUIS OBISPO COUNTY

SABLE OFFSHORE CORPORATION
BRIAN LANCE YEARWOOD
845 TEXAS AVENUE, SUITE 2920
HOUSTON, TEXAS 77002

LAS FLORES PIPELINE CA-325 REPAIR REMEDIATION PROJECT (PROJECT)

This Streambed Alteration Agreement (Agreement) is entered into between the California Department of Fish and Wildlife (CDFW) and the Sable Offshore Corporation (Permittee), represented by Brian Lance Yearwood.

RECITALS

WHEREAS, pursuant to Fish and Game Code section 1602, Permittee notified CDFW on March 4, 2025, that Permittee intends to complete the project described herein.

WHEREAS, pursuant to Fish and Game Code section 1603, CDFW has determined that the project could substantially adversely affect existing fish or wildlife resources and has included measures in the Agreement necessary to protect those resources.

WHEREAS, Permittee failed to notify CDFW pursuant to Fish and Game Code section 1602, of a Project that would alter the bank, bed, or channel of a stream. Therefore, this is a **Post Hoc** Agreement between CDFW and Permittee, as a result of a Fail to Notify Violation (Fish & G. Code, § 1602) and to correct and to mitigate for damages to the unnamed tributary to the Cuyama River in San Luis Obispo County.

WHEREAS, Permittee has reviewed the Agreement and accepts its terms and conditions, including the measures to protect fish and wildlife resources.

NOW THEREFORE, Permittee agrees to complete the project in accordance with the Agreement.

PROJECT LOCATION

The Project includes activities proposed to occur within the unnamed tributary to the Cuyama River (stream), on the California Department of Fish and Wildlife Carrizo Plain Ecological Reserve, located north of State Route (SR) 166 (Cuyama Highway) at

postmile 48, approximately 16 miles west of New Cuyama, in San Luis Obispo County, State of California. The Project is located at latitude 35.05946 and longitude -119.93314; in the northwest section of Section 12, Township 32 South, Range 18 East, Mount Diablo Baseline and Meridian; on the *Taylor Canyon* United States Geological Survey topographic map and Assessor's Parcel Number 094-401-044.

PROJECT DESCRIPTION

The Project includes excavation, grading, and revegetation activities to remediate impacts resulting from unauthorized activities related to the repair of a crude-oil pipeline (CA-325) anomaly that occurred within an approximately 0.22-acre (125 linear foot) area of the stream (Figure 2).

Unauthorized Pipeline Anomaly Repair

The following activities were conducted within and adjacent to the stream, prior to Permittee submitting a notification pursuant to Fish and Game Code section 1602: excavation, grading, vegetation removal, related to the repair of a pipeline anomaly at CA-325. A pit measuring approximately 20-foot wide, 50-foot long, and 15-foot deep (0.006 acre) was excavated to expose the pipeline and conduct the repair of the pipeline anomaly. Soil was excavated from the site and was stockpiled next to the pit to backfill the excavated area after anomaly repair activity. The top 12-inches of native topsoil was removed and stockpiled separately for use after the excavation activity. After the pipe was inspected, five 10-foot long by 12-foot wide trench shoring boxes were installed, and the pipe was sand blasted with an abrasive coal blast media that was contained and removed; and a 32-feet section of 30-inch diameter section of the pipeline anomaly was removed and replaced. The newly replaced 32-feet section of 30-inch diameter pipe was then coated with Denso coating material around the pipe and welding rods and insulated with a Polyguard RD-6 coating system. Upon completion of the repair, the trench boxes were removed; the excavated pit was backfilled with the excavated soil; graded back to natural contours; compacted; and topped with the native topsoil stockpiled in the work area. Biodegradable straw wattles were placed on the embankments above the stream on the site.

All unauthorized activities took place in the absence of surface flow during naturally dry conditions in September 2024.

All equipment, vehicle access, staging, stockpiling, and parking occurred along the existing dirt access road and within and adjacent to the work area. Equipment used during the pipeline anomaly repair activity included an excavator, bulldozer, air compressor, crew trucks, welding trucks and tools, sandblasting tools, water buffalo, portable toilet trailer, skid steer, trench shoring boxes, and hand tools.

The Project authorized by this Agreement is limited to the following remedial actions, as described below, to restore, rehabilitate, and stabilize the bed, bank, and channel of the stream to its original pre-disturbance contours and condition.

Site Remediation
Site restoration, rehabilitation, and stabilization will occur within an approximately 0.22-acre (125 linear foot) previously disturbed area of the stream. Approximately 12 cubic yards of the previously backfilled sediment will be excavated and removed from an approximately 8-foot wide, 125-foot long, and 4-inch-deep (0.21-acre) area of the stream alignment. This area of the stream will be recontoured to recreate the natural low-flow channel of the stream to its original pre-disturbance contours to ensure proper drainage of the stream. The sediment excavated from the stream will be spread evenly within the upland area. Following final recontouring, biodegradable straw wattles or other appropriate storm water or erosion control best management practices (BMPs) will be installed perpendicular to the channel bottom. Minor excavation, final recontouring, and installation of erosion control BMPs (e.g., straw wattles) will occur as soon as possible and outside any measurable rain event.

Hand seeding with native plant species will be conducted within the Project area after the recontouring of the stream during the following fall or winter (no later than March 1). Native seeds of bladderpod (*Peritoma arborea*), allscale saltbush (*Atriplex polycarpa*), and nodding needlegrass (*Stipacernua*) will be reseeded by hand on the site and hand raked into the soil.

The Project will occur during naturally dry conditions. Project excavation and recontouring activities are expected to take up to 15 days to complete.

Staging, storage, stockpiling, and parking will occur outside the stream and within the previously disturbed area. Access to the Project area will occur from the existing dirt access road that crosses diagonally through the Project area off SR166. Equipment that will be used to complete the Project includes a mini-excavator, skid steer, crew trucks, trailer mounted water buffalo, water truck, pump-fed portable water tank with a spray hose, personal backpack sprayers, hand tools, and small construction equipment.

PROJECT IMPACTS

The Project will result in approximately 0.22-acres (125 linear foot) of temporary impacts to the stream through grading, excavation, and seeding activities to rehabilitate and stabilize the site to pre-existing contours and condition. Vegetation impacted and to be impacted include grasses and salt brush scrub habitat.

Other potential impacts to fish and wildlife resources related to disturbance during Project implementation include those associated with noise; vibration; trampling/crushing of animals, plants, and habitat features; disruption to nesting and nest abandonment, denning, breeding, migrating, or foraging animals; fugitive dust; introduction and propagation of invasive plant species; animal mortality from collisions with vehicles or heavy equipment or excavation; sedimentation and erosion from ground disturbing activity; disturbed soils being carried downstream by subsequent flows, relocated, and re-deposited in areas used by fish and wildlife; change in contour of bed and banks from ground disturbing activity; and water pollution caused by sedimentation

and erosion, leaking or malfunctioning vehicles or equipment, or dirty or contaminated equipment.

Existing fish or wildlife resources that the Project could substantially adversely affect are included in Table 1. This Agreement is intended to avoid, minimize, and mitigate adverse impacts to the fish and wildlife resources that may occupy the Project area and adjacent habitat. Absent the implementation of the Protective Measures required by this Agreement, the species presented in Table 1 and their habitat, as well as other species of invertebrates, fish, amphibians, reptiles, birds, mammals, and plants that compose the local ecosystem could potentially be impacted within the Project area.

TABLE 1. SPECIAL STATUS SPECIES WITH THE POTENTIAL TO OCCUR IN THE PROJECT AREA

Common Name	Scientific Name	Listing Status*		
		Federal	State	CDFW/ CRPR
Animals				
Crotch's bumble bee	*Bombus crotchii*	-	CE	-
San Joaquin kit fox	*Vulpes macrotis mutica*	E	T	-
western burrowing owl	*Athene cunicularia hypugaea*	-	CT/E	-
Tulare grasshopper mouse	*Onychomys torridus tularensis*	-	-	SSC
American badger	*Taxidea taxus*	-	-	SSC
Northern California legless lizard	*Anniella pulchra*	-	-	SSC
California glossy snake	*Arizona elegans occidentalis*	-	-	SSC
San Joaquin coachwhip	*Masticophis flagellum ruddocki*	-	-	SSC
coast horned lizard	*Phrynosoma blainvillii*	-	-	SSC
Plants				
Douglas fiddleneck	*Amsinckia douglasiana*	-	-	4.2
Hoovers eriastrum	*Eriastrum hooveri*	-	-	4.2
Kern mallow	*Eremalche parryi* ssp. *kernensis*	E	-	1B.2
La Panza mariposa-lily	*Calochortus simulans*	-	-	1B.3
Lemmons jewelflower	*Caulanthus lemmonii*	-	-	1B.2
oval-leaved snapdragon	*Antirrhinum*	-	-	4.2
pale-yellow layia	*Layia heterotricha*	-	-	1B.1
protruding buckwheat	*Eriogonum nudum* var. *indictum*	-	-	4.2
San Joaquin woollythreads	*Monolopia congdonii*	E	-	1B.2
showy golden madia	*Madia radiata*	-	-	1B.1
small-flowered morning-glory	*Convolvulus simulans*	-	-	4.2
stinkbells	*Fritillaria agrestis*	-	-	4.2
umbrella larkspur	*Delphinium umbraculorum*	-	-	1B.3

*Listing Status: E = Endangered, T = Threatened, CT/E = Candidate for Threatened or Endangered, CE = Candidate Endangered, SSC = CDFW Species of Special, Concern, CRPR = California Rare Plant Rank; 1B: Rare, threatened, or endangered in California and elsewhere; 0.1: Seriously endangered in California; 0.2: Fairly endangered in California; 0.3; and 4.2: Limited in distribution in California, considered a watch list species, and is moderately threatened in California;

MEASURES TO PROTECT FISH AND WILDLIFE RESOURCES

1. Administrative Measures

Permittee shall meet each administrative requirement described below.

1.1 Documentation at Project Area. Permittee shall make the Agreement, any extensions and amendments to the Agreement, and all related notification materials and California Environmental Quality Act (CEQA) documents, readily available at the Project area at all times and shall be presented to CDFW personnel, or personnel from another state, federal, or local agency upon request.

1.2 Providing Agreement to Persons at Project Area. Permittee shall provide copies of the Agreement and any extensions and amendments to the Agreement to all persons who will be working on the project at the Project area on behalf of Permittee, including but not limited to contractors, subcontractors, inspectors, and monitors.

1.3 Notification of Conflicting Provisions. Permittee shall notify CDFW if Permittee determines or learns that a provision in the Agreement might conflict with a provision imposed on the project by another local, state, or federal agency. In that event, CDFW shall contact Permittee to resolve any conflict.

1.4 Project Area Entry. As the Project site is owned by CDFW, CDFW personnel may enter the Project area at any time to verify compliance with the Agreement or for other purposes.

1.5 Legal Obligations. This Agreement does not exempt Permittee from complying with all other applicable local, state, and federal law, or other legal obligations.

1.6 Unauthorized Take.

(a) This Agreement does not authorize the take (defined in Fish & G. Code, § 86 as to hunt, pursue, catch, capture, or kill; or attempt to hunt, pursue, catch, capture, or kill) of state or federally listed candidate, threatened, or endangered species. All such take shall require separate permitting. Liability for take of such listed species remains the separate responsibility of Permittee for the duration of the Project.

(b) Permittee shall take prudent measures to ensure that all take of threatened, endangered, and candidate species is avoided. Permittee acknowledges and fully understands that it does not have California Endangered Species Act (CESA) incidental take authority. Permittee shall immediately notify CDFW of the discovery of any such threatened, endangered, or candidate species prior to and during Project implementation.

1.7 Property Not Owned by Permittee. To the extent that the Protective Measures of this Agreement provide for activities that require Permittee to enter on another

owner's property, they are agreed to with the understanding that Permittee possesses the legal right to enter.

1.8 Work Schedule. Permittee shall submit a ***work schedule*** to CDFW at least seven days prior to beginning any activities covered by this Agreement and no more than seven days of any substantive changes in the work schedule. Permittee shall also notify CDFW upon the completion of the activities covered by this Agreement in the Final Project Report.

1.9 Training. Prior to the start of Project activities, Permittee shall provide training from a qualified individual to all employees, contractors, and visitors who will be present during Project activities regarding the contents of this Agreement, the resources at stake, and the legal consequences of non-compliance. Permittee shall maintain training sign-in sheets for individuals who attend the training that include the printed and signed name of each attendee, the name and qualifications of the person providing the training, a copy of the training materials, and the date of the training. Permittee shall provide this ***training documentation*** to CDFW within seven days following the start of Project activities.

2. Avoidance and Minimization Measures

To avoid or minimize adverse impacts to fish and wildlife resources identified above, Permittee shall implement each Protective Measure listed below.

2.1 Work Hours. Permittee shall conduct Project activities during daylight hours. For purposes of this Agreement, "daylight hours" are defined as that daytime period between sunrise and sunset.

2.2 Flagging/Stacking. Prior to the start of any Project activity within the stream, Permittee shall identify the limits of the required access routes and encroachment into the stream, including restoration and rehabilitation related areas. These "work area" limits shall be identified with brightly-colored flagging and/or staking. Project activity completed under this Agreement shall be limited to the defined work area only. Flagging and/or staking shall be maintained in good repair for the duration of the Project. All areas within the stream bed or bank, beyond the identified work area limits shall be considered Environmentally Sensitive Areas (ESA) and shall not be disturbed.

2.3 Listed Species and Other Special Status Species.

(a) Pre-activity Surveys. Pre-activity surveys for potential rare, listed, or other sensitive and special status species shall be conducted by a qualified biologist within 14 days prior to the start of Project activities. Pre-activity surveys shall be conducted within the Project area, and all access routes, staging, stockpiling, and parking areas to avoid and minimize incidental take, confirm and/or update previous observations, identify any areas potentially occupied by rare, listed, or other sensitive and special status species, and

clearly mark all resources to be avoided by Project activities. If any state or federal candidate, threatened, or endangered species, or state rare species are found or could be impacted by the work proposed, Permittee shall notify CDFW of the discovery immediately. A new or amended Agreement and/or a State Incidental Take Permit (ITP) pursuant to Fish and Game Code section 208, subdivision (b), may be necessary, and a new CEQA analysis may need to be conducted before work can begin. ***Pre-activity survey results*** shall be submitted to CDFW at least seven days prior to the start of Project activities at the Project area.

(b) Crotch's Bumble Bee. A qualified biologist shall survey the Project area prior to the start of Project activities to identify whether over-wintering, nesting, or foraging habitats of Crotch's bumble bee are present on or within 100 feet of the Project area. If suitable habitat of any type is identified in the Project area, a qualified biologist shall conduct focused surveys for Crotch's bumble bee, and their requisite habitat features following the methodology outlined in the Survey Considerations for California Endangered Species Act Candidate Bumble Bee Species (https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=213150&inline) during the blooming period immediately prior to commencing Project activities. Permittee shall submit ***Crotch's bumble bee survey results*** to CDFW at least seven days prior to the start of Project activities.

If Crotch's bumble bees are detected within the Project area, Permittees shall halt work immediately or shall not commence work and contact CDFW to develop adequate take avoidance measures. If a nest is observed, take avoidance measures shall include protection for overwintering queens. Permittee is advised that if avoidance of take is not feasible, take authorization through acquisition of an ITP for Crotch's bumble bee pursuant to Fish and Game Code section 2081, subdivision (b), is necessary to comply with CESA prior to starting or resuming Project activities.

(c) San Joaquin Kit Fox. Within 14 days prior to the start of Project activity, a qualified wildlife biologist shall perform transect surveys of the Project area and a 500-foot buffer, to identify potential dens and other kit fox sign. Permittee shall submit ***San Joaquin kit fox survey results*** to CDFW at least seven days prior to the start of Project activities. If sign of kit fox is detected, a qualified wildlife biologist shall be available on-site during all Project-related activities that could impact the species. If kit fox are found on or within 500 feet of the Project area, all activity shall cease until a qualified wildlife biologist confirms the individual(s) has left of its own volition.

If potential San Joaquin kit fox dens are found, they shall be avoided by appropriate distances (potential or atypical den = 50 feet; known den = 100 feet; pupping den = 500 feet). During reconnaissance-level surveys the den shall be treated as a known den unless sign associated with natal/pupping

activity is observed. If any occupied San Joaquin kit fox pupping dens are subsequently discovered, Permittee shall stop work and contact CDFW within 24 hours for further guidance. Absolutely no disturbance to known San Joaquin kit fox dens shall occur and no work shall occur within the above buffers without contacting CDFW and obtaining written authorization to do so. Permittee is advised that if avoidance is not feasible, take authorization through acquisition of an ITP pursuant to Fish and Game Code section 2081, subdivision (b), would be necessary to comply with CESA prior to starting or resuming Project activities.

(d) Western Burrowing Owl. A qualified biologist shall survey for burrowing owl and potential burrows within the Project area and a 500-meter radius around the Project area no more than 14 days prior to starting Project activities. If known (active or inactive) burrowing owl burrows are observed, these burrows shall be designated an ESA, protected, and monitored by a qualified biologist during Project activities. A minimum 500-meter avoidance buffer shall be established and maintained around each burrowing owl burrow. Permittee shall submit ***burrowing owl survey results*** to CDFW at least seven working days prior to starting Project activities. Survey results shall include a map and location of all observed burrowing owl burrows and any individual burrowing owl observations. Permittee is advised that on October 10, 2024, the California Fish and Game Commission designated burrowing owl as a State Candidate species; therefore if burrowing owl is detected during surveys or at any time during Project activities and avoidance of take is not possible, take authorization through acquisition of an ITP for burrowing owl, pursuant to Fish and Game Code section 2081, subdivision (b), is necessary to comply with the CESA prior to starting or resuming Project activities.

(e) Tulare Grasshopper Mouse. A qualified biologist shall be at the Project area to ensure potential burrows for the Tulare grasshopper mouse are avoided to the maximum extent feasible during initial ground disturbing activities. Permittee shall allow Tulare grasshopper mouse individuals that are encountered or excavated to leave the Project area of their own volition. If that is not feasible or if individuals are disoriented, a qualified biologist shall capture individuals and release them into a suitable burrow at least 100 feet from the Project area where the individual was found. Permittee shall document all Tulare grasshopper mice that are relocated; including maps of the locations where individuals were found and relocated to, in the Final Report.

(f) American Badger. A qualified biologist shall conduct surveys to detect the presence of American badger within 14 days prior to the start of Project activities the Project area and a 100-foot radius,. Any American badger detected during Project activities shall be allowed to move out of the Project area of its own volition. If American badger is denning on or within 100 feet of

the Project area, the den shall be protected with a 100-foot no-disturbance buffer. Avoidance buffer variances may be allowed through consultation with and written pre-approval from CDFW. Permittee shall submit the American badger survey results to CDFW at least seven days prior to the start of Project activities.

(g) Coast Horned Lizard and Northern California Legless Lizard. The Project area shall be surveyed for these lizards by a qualified biologist immediately prior to the start of Project activities. Individuals of these species present in the Project area shall be allowed to leave of their own volition or shall be relocated out of harm's way by a qualified biologist to suitable habitat at least 100 feet upstream or downstream of the Project area. Any loose substrate in which lizards could bury themselves shall be gently raked with a hand tool (e.g., a garden rake) to a depth of two inches to locate any lizards that could be under the surface. Permittee shall document all coast horned lizard and Northern California legless lizards that were relocated; including maps of the locations where individuals were found and relocated to, in the Final Report.

(h) California Glossy Snake and San Joaquin Coachwhip. All California glossy snakes and San Joaquin coachwhips discovered in the Project area immediately prior to or during Project activities shall be allowed to leave of their own volition. If this is not feasible, they shall be captured by a qualified biologist and relocated out of harm's way to suitable habitat at least 100 feet upstream or downstream of the Project area. Permittee shall document all California glossy snakes and San Joaquin coachwhips that were relocated; including maps of the locations where individuals were found and relocated to, in the Final Report.

(i) Special Status Plants. A qualified biologist shall conduct focused special status plant surveys of the Project area during the appropriate flowering season within a year prior to the start of Project activities, using the CDFW 2018 Protocols for *Surveying and Evaluating Impacts to Special Status Native Plant Populations and Natural Communities* (https://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=18959&inline). Permittee shall submit the ***special status plant survey results*** to CDFW at least seven days prior to the start of Project activities. If any special status plant species is found, Permittee shall identify them with flagging and avoid plants or groups of plants with a 50-foot no disturbance buffer during Project activities. If this avoidance buffer is not feasible, Permittee shall consult with CDFW to determine whether alternate avoidance measures are possible. Permittee may request a reduced buffer for non-listed plant species; Permittee shall not encroach on the 50-foot buffer unless CDFW provides advance, written approval to do so.

Alternately, with advance, written approval from CDFW, Permittee may perform surveys outside the flowering season for perennial species that are

identifiable using vegetative characteristics; and for non-listed annual species, Permittee may instead salvage topsoil after the plants have senesced to reapply following ground disturbing activity.

(j) Reporting Observations to CNDDB. If detections of any listed or other special status species are made during required surveys or during Project implementation, Permittee shall submit California Natural Diversity Data Base (CNDDB) forms to the CNDDB via the online field survey form system (https://www.wildlife.ca.gov/Data/CNDDB/Submitting-Data#44524419-online-field-survey-form) for all detections and provide copies of the CNDDB forms in the Final Report.

2.4 Fish and Wildlife.

(a) If fish or wildlife is encountered during the course of Project implementation, said fish or wildlife shall be allowed to leave the Project area unharmed.

(b) To protect nesting birds, no Project activity shall be completed from February 1 through August 31 unless the following Avian Nesting Surveys are completed by a qualified biologist within 14 days prior to commencing Project activities. Permittee shall submit ***avian nest survey results*** to CDFW at least seven days prior to the start of Project activities.

Due to its special status designations and differing nesting period, separate avian survey and avoidance requirements are listed above for western burrowing owl (see Avoidance and Minimization Measure 2.3(d)).

(1) Birds of Prey. Survey for nesting activity of birds of prey within the Project area and a 500-foot radius by a qualified biologist. Surveys shall be conducted at appropriate nesting times and concentrate on electrical poles, and other suitable trees, shrubs, or structures. If any active nests are observed, these nests shall be designated an ESA and protected with a minimum 500-foot no-disturbance buffer until the young have fledged and are no longer dependent on the nest site or parental care.

(2) Other Avian Species. Survey for nesting activity within the Project area and a 250-foot radius by a qualified biologist. If any active nests are observed, these nests shall be designated an ESA area and protected with a minimum 250-foot no-disturbance buffer until the young have fledged and are no longer dependent on the nest or parental care.

CDFW may consider variances from these no-disturbance buffers when there is a compelling biological or ecological reason to do so, such as when the work area would be concealed from a nest site by topography and Project activities would not result in vibration or noise impacts. Alternate nest buffers shall be submitted to CDFW for written approval.

2.5 Vegetation.

(a) The disturbance or removal of vegetation shall not exceed the minimum necessary to complete the Project activities and shall only occur within the defined work areas. Precautions shall be taken to avoid other damage to vegetation by people or equipment.

(b) All invasive, nonnative plant species that are disturbed or broken shall be bagged and removed from the Project area and any area where it could enter a stream. Invasive, nonnative species shall not be used in mulching, composting, or otherwise placed in or around the Project area. Permittee shall not stockpile cut invasive, nonnative plant material within the stream at any time.

(c) At least 30 days prior to the start of Project activities, Permittee shall submit a ***Seeding Plan,*** that is consistent with this Agreement, to CDFW for review and written approval that identifies the locations and specifications of seeding activities to occur within the Project area. The *Seeding Plan* shall describe the Project activities to be implemented to revegetate the site, including location and methods of hand collection of locally native seed that will be conducted and a map of the locations of where all proposed seeding will be distributed on the Project area, as well as all site preparation activities and methods of seeding.

Permittee shall seed all temporarily disturbed soils created within the Project area with a blend of a minimum of three locally native grass species in a weed-free straw or mulch and according to the Project Description. One or two sterile non-native perennial grass species may be added to the seed mix provided that amount does not exceed 25 percent of the total seed mix by count. Locally native wildflower and/or shrub seeds may also be included in the seed mix. The seeding shall be completed as soon as possible, but no later than November 15, 2025, or as otherwise approved in writing by CDFW. Permittee shall include the proposed ***Seed Mix*** in the ***Seeding Plan***.

2.6 Vehicles and Equipment.

(a) Vehicles and equipment shall only be operated in the defined work areas, during naturally dry conditions. No Project activity shall occur within the active, wetted channel or in saturated soils.

(b) Permittee shall wash and dry all equipment (hand tools, mechanical devices) prior to entering the Project area, to prevent the movement of aquatic and terrestrial invasive plant and animal species, fungi, their propagules, and other biotic agents.

(c) Vehicles, equipment, machinery, and hand tools shall be inspected for the presence of plant material and cleaned prior to entering the Project area to reduce the risk of introducing nonnative, invasive species.

(d) Vehicles and equipment driven and/or operated in or adjacent to the stream shall be checked and maintained daily to prevent leaks of materials that, if introduced to water, could be deleterious to aquatic and terrestrial life.

(e) Staging and storage areas for equipment, materials, fuels, lubricants, and solvents shall be located outside of the stream channels and banks. Stationary equipment such as motors, pumps, generators, compressors, and welders, located in or adjacent to the stream or where fluids or other material may enter the stream, shall be positioned over drip-pans. Vehicles shall be moved at least 150 feet from the stream prior to refueling and lubrication.

(f) Vehicle access shall be limited to predetermined ingress and egress corridors on existing roads. All other stream areas shall remain off-limits to vehicles and equipment.

2.7 Fill/Spoil.

(a) All excavated material shall only be temporarily stockpiled within stream areas and for no more than 48 hours. Excavated material shall not be stockpiled within stream areas if the three-day weather forecast indicates a 30 percent or greater chance of rain.

(b) Other materials shall not be imported into or moved within the bed or banks of the stream, except as otherwise authorized by this Agreement.

(c) Permittees shall cover any temporary spoil piles with plastic sheeting or visqueen when rainy or windy conditions could erode loose soils to prevent loose soil from moving into the stream.

(d) Permittee shall limit fill to the minimal amount necessary to accomplish Project activities. Soils that are excavated and temporarily displaced shall be used to backfill excavations and return areas to original contours. Excess excavated soil shall be spread throughout the Project area.

2.8 Erosion Prevention and Sedimentation.

(a) No work shall be conducted during rain or within 24 hours following rainfall events totaling ¼ inch or more in any 24-hour period. All necessary erosion control measures shall be initiated prior to all storm events. Permittee shall monitor the National Weather Service 72-hour forecast for the Project area. Documentation of weather forecasts shall be provided to CDFW upon request.

(b) All disturbed soils within the Project area shall be stabilized to reduce erosion potential, both during and following ground disturbing activity. Temporary erosion control devices, such as straw bales and sandbags, may be used, as appropriate, to prevent siltation of the stream. To minimize the risk of ensnaring and strangling wildlife, coir rolls, erosion control mats or blankets, weed free straw or fiber wattles, or similar erosion control products shall be composed entirely of natural-fiber, biodegradable materials. Permittees shall not use "photodegradable" or other plastic erosion control materials.

2.9 Pollution.

(a) Permittee and all contractors shall be subject to the water pollution regulations found in Fish and Game Code sections 5650, 5652, and 12015.

(b) No equipment maintenance or fueling shall be done within or near the stream where petroleum products or other pollutants from the equipment may enter the stream.

(c) Permittee shall not dump litter or debris within the stream or areas where such waste could wash into the stream. All such debris and waste shall be picked up daily and properly disposed of at an appropriate site.

(d) Lubricants, oil, or other petroleum products, or any other substances that could be hazardous to fish or wildlife resulting from or disturbed by the Project maintenance activity, shall be prevented from contaminating the soil and/or entering the "Waters of the State".

(e) Application of chemical palliatives and other surface binding agents shall be prohibited.

3. Compensatory Measures

To compensate for adverse impacts to fish and wildlife resources identified above that cannot be avoided or minimized, Permittee shall implement the following Compensatory Measures.

3.1 Habitat Mitigation and Documentation.

(a) To mitigate for 0.22 acres of impacts to the unnamed stream and its associated habitats, Permittee shall provide permanent protection and perpetual management of compensatory habitat. To meet this requirement, Permittee shall purchase 3 acres of San Joaquin kit fox credits from the Palo Prieto Conservation Bank.

(b) Permittee shall provide written evidence to CDFW confirming the credit purchase in the amount required by this Agreement within 60 days after the

effective date of this Agreement. Written evidence shall be in the form of *Agreement for Sale of Credits* duly executed by Bank Sponsor and Permittee (or third party acting on behalf of Permittee) according to the Mitigation/Conservation Banking Enabling Instrument.

4. Reporting Measures

Permittee shall meet each reporting requirement described below.

4.1 Obligations of Permittee.

(a) Permittee shall have primary responsibility for monitoring compliance with all Protective Measures in this Agreement. Protective Measures shall be implemented within the time periods indicated in this Agreement and the reporting program described below.

(b) Permittee shall ensure the implementation of the Protective Measures of this Agreement and shall monitor the effectiveness of the Protective Measures.

4.2 Reports. Permittee shall submit the following Reports to CDFW:

(a) Work schedule, submitted to CDFW at least seven days prior to the start of Project activities. Permittees shall also report to CDFW upon the completion of the activities covered by this Agreement (Administrative Measure 1.8).

(b) Worker training documentation, submitted to CDFW within seven days following the start of Project activity (Administrative Measure 1.9).

(c) Results of the pre-activity surveys, submitted to CDFW at least seven days prior to the start of Project activities (Avoidance and Minimization Measure 2.3(a)).

(d) Results of surveys for Crotch's bumble bee, submitted to CDFW least seven days prior to the start of Project activities (Avoidance and Minimization Measure 2.3(b)).

(e) Results of surveys for San Joaquin kit fox, submitted to CDFW at least seven days prior to the start of Project activities (Avoidance and Minimization Measure 2.3(c)).

(f) Results of surveys for western burrowing owl, submitted to CDFW at least seven days prior to the start of Project activities (Avoidance and Minimization Measure 2.3(d)).

(g) Results of surveys for American badger, submitted to CDFW at least seven days prior to the start of Project activities submitted to CDFW at least 14 days

prior to the proposed eviction activity (Avoidance and Minimization Measure 2.3(f)).

(h) Results of surveys for special status plants, submitted to CDFW at least seven days prior to the start of Project activities (Avoidance and Minimization Measure 2.3(i)).

(i) Results of avian nesting surveys, if work is scheduled during the avian nesting season, submitted to CDFW at least seven days prior to the start of Project activities (Avoidance and Minimization Measure 2.4(b)).

(j) A Seeding Plan, submitted to CDFW for review and written approval at least 30 days prior to implementation (Avoidance and Minimization Measure 2.5(c)).

(k) Confirmation of San Joaquin kit fox credit purchase, submitted to CDFW within 60 days of the effective date of this Agreement (Compensatory Measure 3.1(b)).

(l) A Final Project Report to be submitted within 30 days after work authorized by this Agreement is completed. The Final Project Report shall include each of the following:

i. A summary of Project implementation, including the dates activities were initiated and completed as well as a summary of the implementation of each Protective Measure of this Agreement;

ii. Document of any Tulare grasshopper mice that are relocated; including maps of the locations where individuals were found and relocated to (Avoidance and Minimization Measure 2.3(e));

iii. Documentation of any coast horned lizard or Northern California legless lizard relocated out of harm's way (Avoidance and Minimization Measure 2.3(g));

iv. Documentation of any California glossy snake or San Joaquin coachwhip relocated out of harm's way (Avoidance and Minimization Measure 2.3(h));

v. Reports of special status species submitted to CNDDB if detections of any listed or other special status species are made during required surveys or Project activities (Avoidance and Minimization Measure 2.3(j)).

vi. Before, during, and after photo documentation of the Project area taken from consistent photo points.

CONTACT INFORMATION

Any communication that Permittee or CDFW submits to the other shall be submitted through the Environmental Permit Information Management System (EPIMS) as instructed by CDFW.

To Permittee:

Sable Offshore Corporation
845 Texas Avenue, Suite 2920
Houston, Texas 77002
Attn: Brian Lance Yearwood
EPIMS-SLO-57972-R4
Phone: (832) 434-9461
lyearwood@sableoffshore.com

To CDFW:

California Department of Fish and Wildlife
Region 4 - Central Region
1234 East Shaw Avenue
Fresno, California 93710
Attn: Lake and Streambed Alteration Program – Heather Rodriguez
EPIMS-SLO-57972-R4
Phone: (559) 578-0836
heather.rodriguez@wildlife.ca.gov **and**
R4LSA@wildlife.ca.gov

LIABILITY

Permittee shall be solely liable for any violations of the Agreement, whether committed by Permittee or any person acting on behalf of Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, to complete the project or any activity related to it that the Agreement authorizes.

This Agreement does not constitute CDFW's endorsement of, nor require Permittee to proceed with the project. The decision to proceed with the project is Permittee's alone.

SUSPENSION AND REVOCATION

CDFW may suspend or revoke in its entirety the Agreement if it determines that Permittee or any person acting on behalf of Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, is not in compliance with the Agreement.

Before CDFW suspends or revokes the Agreement, it shall provide Permittee written notice by certified or registered mail that it intends to suspend or revoke. The notice

shall state the reason(s) for the proposed suspension or revocation, provide Permittee an opportunity to correct any deficiency before CDFW suspends or revokes the Agreement, and include instructions to Permittee, if necessary, including but not limited to a directive to immediately cease the specific activity or activities that caused CDFW to issue the notice.

ENFORCEMENT

Nothing in the Agreement precludes CDFW from pursuing an enforcement action against Permittee instead of, or in addition to, suspending or revoking the Agreement.

Nothing in the Agreement limits or otherwise affects CDFW's enforcement authority or that of its enforcement personnel.

OTHER LEGAL OBLIGATIONS

This Agreement does not relieve Permittee or any person acting on behalf of Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, from complying with, or obtaining any other permits or authorizations that might be required under, other federal, state, or local laws or regulations before beginning the project or an activity related to it. For example, if the project causes take of a species listed as threatened or endangered under the federal Endangered Species Act (FESA), such take will be unlawful under the FESA absent a permit or other form of authorization from the U.S. Fish and Wildlife Service or National Marine Fisheries Service.

This Agreement does not relieve Permittee or any person acting on behalf of Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, from complying with other applicable statutes in the Fish and Game Code including, but not limited to, Fish and Game Code sections 2050 *et seq*. (threatened and endangered species), section 3503 (bird nests and eggs), section 3503.5 (birds of prey), section 5650 (water pollution), section 5652 (refuse disposal into water), section 5901 (fish passage), section 5937 (sufficient water for fish), and section 5948 (obstruction of stream).

Nothing in the Agreement authorizes Permittee or any person acting on behalf of Permittee, including its officers, employees, representatives, agents, or contractors and subcontractors, to trespass.

AMENDMENT

CDFW may amend the Agreement at any time during its term if CDFW determines the amendment is necessary to protect an existing fish or wildlife resource.

Permittee may amend the Agreement at any time during its term, provided the amendment is mutually agreed to in writing by CDFW and Permittee. To request an amendment, Permittee shall use the “Amendments & Extension” form in EPIMS to

submit the request. Permittee shall include with the completed form, payment of the corresponding amendment fee identified in CDFW's current fee schedule (see Cal. Code Regs., tit. 14, § 699.5).

TRANSFER AND ASSIGNMENT

This Agreement may not be transferred or assigned to another entity, and any purported transfer or assignment of the Agreement to another entity shall not be valid or effective, unless the transfer or assignment is requested by Permittee in writing, as specified below, and thereafter CDFW approves the transfer or assignment in writing.

The transfer or assignment of the Agreement to another entity shall constitute a minor amendment, and therefore to request a transfer or assignment, Permittee shall use the "Amendments & Extension" form in EPIMS to submit the request. Permittee shall include with the completed form, payment of the minor amendment fee identified in CDFW's current fee schedule (see Cal. Code Regs., tit. 14, § 699.5).

EXTENSIONS

In accordance with Fish and Game Code section 1605, subdivision (b), Permittee may request one extension of the Agreement, provided the request is made prior to the expiration of the Agreement's term. To request an extension, Permittee shall use the "Amendments & Extension" form in EPIMS to submit the request. Permittee shall include with the completed form, payment of the extension fee identified in CDFW's current fee schedule (see Cal. Code Regs., tit. 14, § 699.5). CDFW shall process the extension request in accordance with Fish and Game Code section 1605, subdivisions (b) through (e).

If Permittee fails to submit a request to extend the Agreement prior to its expiration, Permittee must submit a new notification and notification fee before beginning or continuing the project the Agreement covers (Fish & G. Code § 1605, subd. (f)).

EFFECTIVE DATE

The Agreement becomes effective on the date of CDFW's signature, which shall be: 1) after Permittee's signature; 2) after CDFW complies with all applicable requirements under CEQA; and 3) after payment of the applicable Fish and Game Code section 711.4 filing fee listed at https://wildlife.ca.gov/Conservation/Environmental-Review/CEQA/Fees.

TERM

This Agreement shall remain in effect for five years beginning on the date signed by CDFW, unless it is terminated or extended before then. All provisions in the Agreement shall remain in force throughout its term. Permittee shall remain responsible for implementing any provisions specified herein to protect fish and wildlife resources after

the Agreement expires or is terminated, as Fish and Game Code section 1605, subdivision (a)(2) requires.

CEQA COMPLIANCE

In approving this Agreement, CDFW is independently required to assess the applicability of CEQA. The features of this Agreement shall be considered as part of the overall Project description. If CDFW determines that CEQA review is required, as a CEQA Lead Agency CDFW shall be responsible for preparing and circulating the appropriate document (Negative Declaration/Environmental Impact Report) and will submit a Notice of Determination to the State Clearinghouse.

Alternately, CDFW may determine that the Project is exempt from CEQA, in which case a Notice of Exemption will be filed.

EXHIBITS

The documents listed below are included as exhibits to the Agreement and incorporated herein by reference.

Figure 1 – Project Location
Figure 2 – Project Impact Map

AUTHORITY

If the person signing the Agreement (signatory) is doing so as a representative of Permittee, the signatory hereby acknowledges that he or she is doing so on Permittee's behalf and represents and warrants that he or she has the authority to legally bind Permittee to the provisions herein.

AUTHORIZATION

This Agreement authorizes only the project described herein. If Permittee begins or completes a project different from the project the Agreement authorizes, Permittee may be subject to civil or criminal prosecution for failing to notify CDFW in accordance with Fish and Game Code section 1602.

CONCURRENCE

Through the electronic signature by the permittee or permittee's representative as evidenced by the attached concurrence from CDFW's EPIMS, the permittee accepts and agrees to comply with all provisions contained herein.

The EPIMS concurrence page containing electronic signatures must be attached to this Agreement to be valid.

Figure 1

Project Location

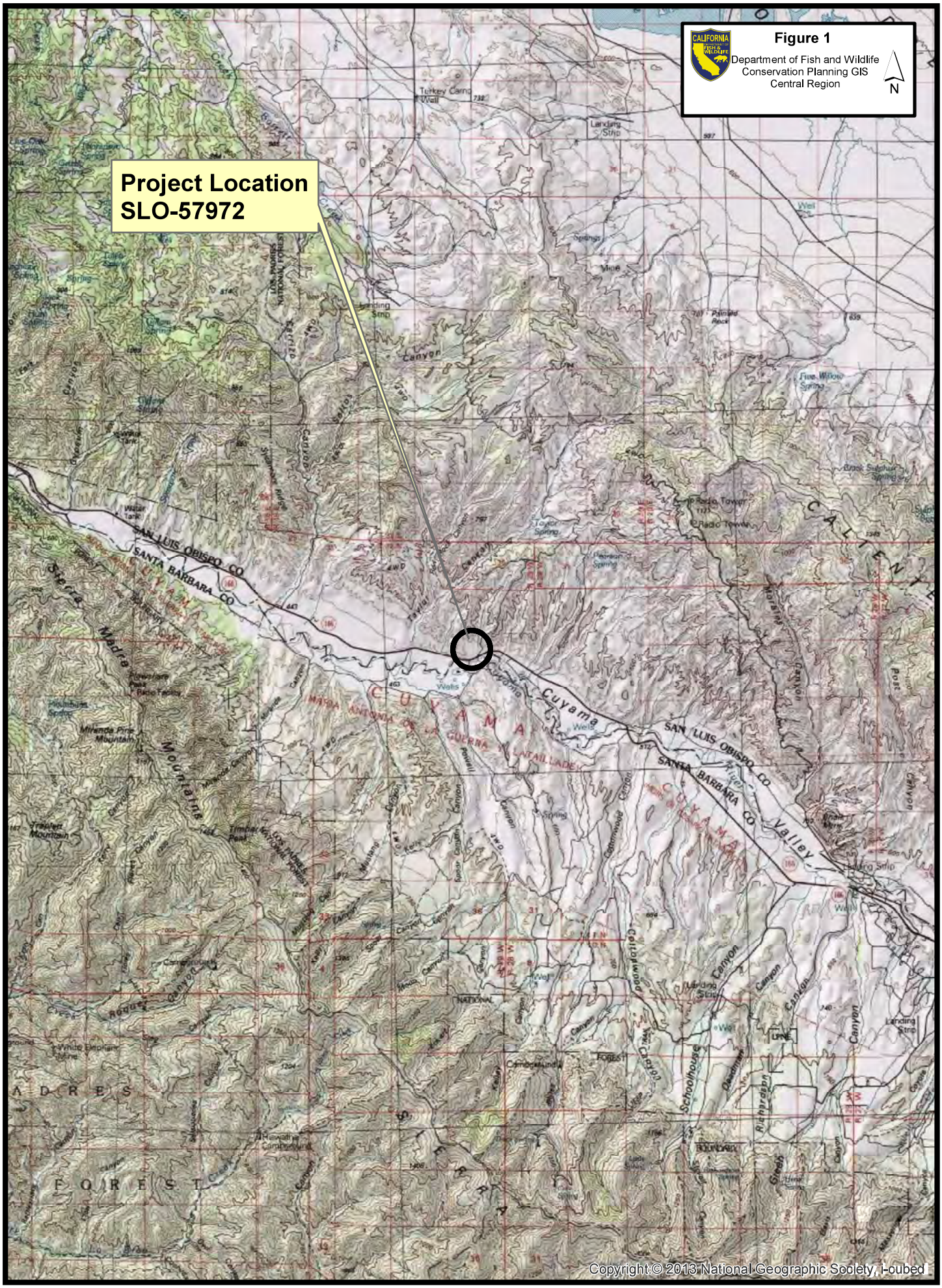
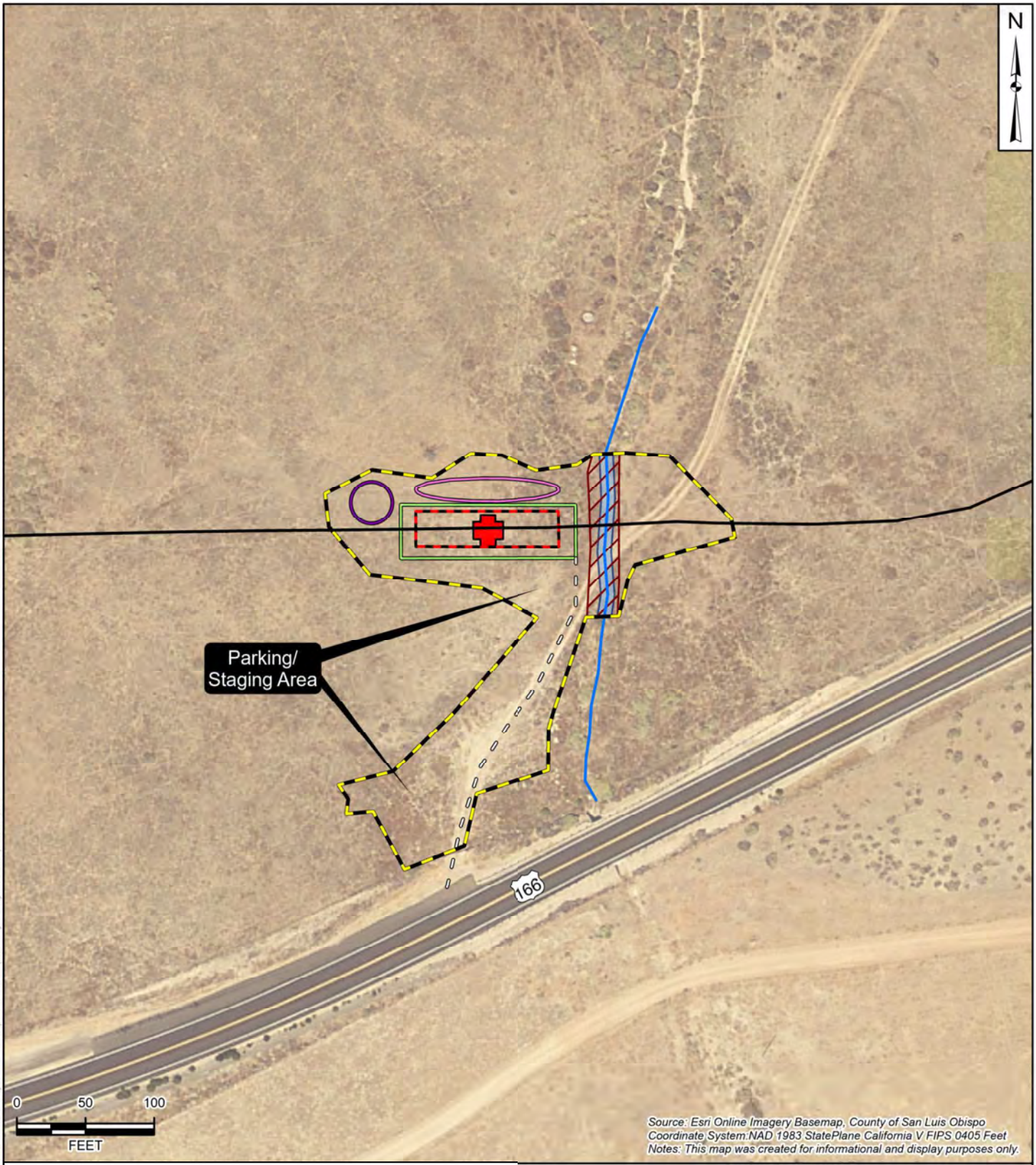

Figure 1
Department of Fish and Wildlife
Conservation Planning GIS
Central Region
N
Project Location
SLO-57972
SAN LUIS OBISPO CO
SANTA BARBARA CO
Cuyama
Valley
Sierra Madre Mountains
Copyright © 2013 National Geographic Society, i-cubed
0 1 2 3 Miles

Figure 2

Project Impact Map



LEGEND:

- Pipeline Alignment
- Tributary Centerline
- Access Route
- CDFW Impact Area
- Work Area
- WOTS Impact Area
- Repair Site
- Shored Excavation
- Sloped Area Around Excavation

MAP EXTENT:

- Stockpile
- Topsoil



padre associates, inc.
ENGINEERS, GEOLOGISTS & ENVIRONMENTAL SCIENTISTS

PROJECT NAME: PACIFIC PIPELINE COMPANY
(SABLE OFFSHORE CORP.)
SAN LUIS OBISPO COUNTY, CA

PROJECT NUMBER: 2402-5021

DATE: April 2025

SITE R4-1
(TRIBUTARY TO CUYAMA RIVER)

FIGURE
2

Z:\GIS Projects\GIS Maps\Pacific Pipeline Company\Specific\Las Flores Canyon\LFCLFC.aprx\Site R4-1 (Tributary to Cuyama River) 4/25/2025

EXHIBIT 22

Central Coast Regional Water Quality Control Board

March 20, 2025

Lance Yearwood
Sable Offshore Corp.
845 Texas Ave., Suite 2900
Houston, TX 77002
Email: lyearwood@sableoffshore.com

VIA ELECTRONIC MAIL

Reg. Measure ID: 459922
Place ID: 899519

Dear Mr. Yearwood:

NOTICE OF APPLICABILITY FOR THE LAS FLORES PIPELINES REPAIR AND MAINTENANCE PROJECT, SANTA BARBARA COUNTY, PROJECT NO. 34225WQ02

On February 5, 2025, the Central Coast Regional Water Quality Control Board (Central Coast Water Board) received your Notice of Intent (NOI) to enroll one location of the Las Flores Pipelines Repair and Maintenance Project (Project) under the *Statewide General Waste Discharge Requirements for Dredged or Fill Discharges to Waters Deemed by the U.S. Army Corps of Engineers to be Outside of Federal Jurisdiction, Order No. 2004-0004-DWQ*.

The Project will discharge to one unnamed ephemeral stream in Santa Barbara County located at approximately 34° 28' 6.4" N, 120° 06' 22.5" W, upstream of Highway 101 at postmile 39, just east of Baron Ranch Trailhead. Central Coast Water Board staff understands that the Project will restore impacts to the unnamed ephemeral stream resulting from unauthorized discharges of waste associated with pipeline repair and includes the following activities:

1. Excavating and recontouring a pipeline repair area, including channel bottom and banks, using a combination of heavy equipment and hand tools;
2. Hand seeding the recontoured area with a blend of native seeds; and
3. Irrigating and maintaining the mitigation site as needed until success criteria have been achieved.

Central Coast Water Board staff has reviewed your NOI for the Project. The Central Coast Water Board Executive Officer is issuing this Notice of Applicability (NOA) authorizing the Project under Order No. 2004-0004-DWQ. This NOA does not authorize discharges of waste to waters of the state at the Project location that occurred prior to the date of its issuance. Your receipt of this NOA does not preclude the Central Coast Water Board from taking enforcement action for unauthorized discharge of waste, and the Central Coast Water Board reserves the right to take any enforcement action authorized by law.

Authorized Impacts: Dredging/fill activities authorized by this NOA are limited to (1) 0.017 acres/60 linear feet of temporary impacts to streambed, streambank, and riparian area.

Mitigation Requirements: Pursuant to Order No. 2004-004-DWQ sections II.C.4 and II.C.9, you must implement mitigation for impacts to waters of the state as described in your submitted Mitigation Plan dated January 2025, and as follows:

1. 0.017 acres/60 linear feet of temporary streamed, streambank, and riparian area impacts must be mitigated at a 1:1 ratio through the rehabilitation of 0.017 acres/60 linear feet of streambed, streambank, and riparian area.

Additional Requirements: You must comply with all conditions of Order No. 2004-0004-DWQ, including the following requirements:

1. Pursuant to section II.C.4 of Order No. 2004-0004-DWQ, you must implement the Project in conformance with the information provided in your NOI. Any changes to the Project design as described in the NOI must receive Central Coast Water Board Executive Officer approval before the changes are implemented.
2. Pursuant to section II.C.16 of Order No. 2004-0004-DWQ, you must submit a Notice of Termination to the Central Coast Water Board upon completion of all Project activities, which include mitigation monitoring and maintenance to ensure attainment of mitigation success criteria.
3. Pursuant to sections A.6 and A.11 of Order No. 2004-0004-DWQ, your Project must not cause significant adverse impacts on water quality, beneficial uses of waters of the state, and the environment. In addition, pursuant to section II.C.3 of Order No. 2004-0004-DWQ, your Project must not cause a condition of pollution, contamination, or nuisance.

Reporting Requirements: Pursuant to section C.26 of Order No. 2004-004-DWQ, you must submit the following reports:

1. Annual Project Status Report – **The Permittee shall submit to the Central Coast Water Board an Annual Project Status Report by May 31 of each year following the issuance of this NOA, regardless of whether mitigation installation has started.** At a minimum, Annual Project Status Reports shall address activities conducted during the prior calendar year. The Permittee shall submit Annual Project Status Reports until the Permittee has conducted all required monitoring, mitigation has achieved all success criteria, and the Permittee has submitted and obtained Central Coast Water Board approval of a Notice of Termination. Each Annual Project Status Report shall include at a minimum:
   a. Mitigation reporting, if mitigation installation has started, including the following information:
      i. Date mitigation installation was initiated and, if applicable, the date mitigation installation was completed;
      ii. Confirmation that mitigation was installed as described in the application, the Mitigation Plan dated January 2025, and any other associated submittals;
      iii. Analysis of monitoring data collected in the field;
      iv. Quantification of growth, percent cover, survival, general health and stature, signs of reproduction, and documentation of progress toward achieving all mitigation success criteria;
      v. Qualitative and quantitative comparisons of current mitigation conditions with preconstruction conditions and previous mitigation monitoring results;
      vi. Any remedial or maintenance actions taken or needed;
      vii. Any additional information specified in the Mitigation Plan dated January 2025; and
      viii. Annual photo-documentation representative of all mitigation areas, taken from vantage points from which changes in size and cover of plants are evident. Compare photos of installed mitigation with photos of the mitigation areas prior to installation.
   b. A description of mitigation completion status that identifies the amount of mitigation monitoring and maintenance remaining, or certifies and demonstrates that mitigation is complete, all required mitigation monitoring and maintenance has been conducted, and all success criteria achieved. If the monitoring period is over, but all success criteria have

not been achieved, the Annual Project Status Report shall identify corrective measures to be undertaken, including extension of the monitoring period until the criteria are met.

The total application fee for this project is $4,212. The remaining application fee payable to the Central Coast Water Board is $0. Annual fees may apply.

If you have questions, please contact **April Woods** at (805) 549 3332 or via email at April.Woods@waterboards.ca.gov or Phil Hammer at (805) 549-3882.

Sincerely,

Digitally signed by Phillip Hammer
Date: 2025.03.20 11:06:07 -07'00'

for
Ryan E. Lodge
Executive Officer

cc:

Chris Dunn, Padre, Inc., cdunn@padreinc.com

Steve Rusch, Sable Offshore Corp., srusch@sableoffshore.com

Julie Vance, California Department of Fish and Wildlife, Julie.Vance@wildlife.ca.gov

Frederic Rieman, California Department of Fish and Wildlife, Frederic.Rieman@wildlife.ca.gov

Wesley Horn, California Coastal Commission, Wesley.Horn@coastal.ca.gov

401 Program, State Water Resources Control Board, Stateboard401@waterboards.ca.gov

Hayden Reed, Central Coast Water Board, Hayden.Reed@waterboards.ca.gov

April Woods, Central Coast Water Board, April.Woods@waterboards.ca.gov

Phil Hammer, Central Coast Water Board, Phillip.Hammer@waterboards.ca.gov

Leah Lemoine, Central Coast Water Board, Leah.Lemoine@waterboards.ca.gov

Tamara Anderson, Central Coast Water Board, Tamara.Anderson@waterboards.ca.gov

Naomi Rubin, State Water Resources Control Board, Naomi.Rubin@waterboards.ca.gov

Yvonne West, State Water Resources Control Board, Yvonne.West@waterboards.ca.gov

R:\RB3\Shared\401\General Orders\Santa Barbara\2025\Waters outside Corps Jurisdiction\34225WQ02 Las Flores Pipelines Repair and Maintenance Project\R3_Las Flores Pipelines Repair and Maintenance Project_34225WQ02_NOA_final.docx

Central Coast Regional Water Quality Control Board

June 2, 2025

Lance Yearwood
Sable Offshore Corp.
845 Texas Avenue, Suite 2900
Houston, TX, 77002
Email: lyearwood@sableoffshore.com

VIA ELECTRONIC MAIL

Dear Mr. Yearwood:

NOTICE OF APPLICABILITY FOR TRIBUTARIES TO NOJOQUI CREEK AND FOXEN CANYON PROJECT, PROJECT NO. 34225WQ07

On April 25, 2025, the Central Coast Regional Water Quality Control Board (Central Coast Water Board) received Sable Offshore Inc.'s Notice of Intent (NOI) to enroll the Tributaries to Nojoqui Creek and Foxen Canyon Project (Project) under the *General Order for Clean Water Act Section 401 Water Quality Certification Action Order No. 2020-0039-EXEC (General Order)*.

The Project will discharge to an unnamed, intermittent tributary to Nojoqui Creek and an unnamed, intermittent tributary to Foxen Canyon Creek (also known as, Asphaltum Creek). Central Coast Water Board staff understands that the Project will restore impacts to the unnamed tributaries resulting from unauthorized discharges of waste associated with pipeline repair and includes the following activities:

1. Restoring a total of 0.48 acres at the tributary to Nojoqui Creek and 0.16 acres at the tributary to Foxen Canyon, including upland areas outside of waters of the State, to pre-project conditions
2. Minor grading of the channel bottoms, using a mini-excavator or skid steer and hand tools, to match the contours of the Project sites' upstream and downstream limits with the natural drainage features.
3. Hand seeding the recontoured areas; including streambank and upland area; with a blend of native seeds selected to restore pre-project site conditions.
4. Planting Mulefat (Baccharis salicifolia) cuttings along the toe of the streambanks at both restoration sites.
5. Irrigating and maintaining the mitigation sites as needed until success criteria have been achieved.
6. Installing erosion control best management practices (BMPs) which may include biodegradable straw wattles, jute netting or other appropriate storm water/erosion BMPs.

Central Coast Water Board staff has reviewed your NOI for the Project. The Central Coast Water Board Executive Officer is issuing this Notice of Applicability (NOA) authorizing the Project under the General Order. This NOA does not authorize discharges of waste to waters of the state at the Project locations that occurred prior to the date of its issuance. Your receipt of this NOA does not preclude the Central Coast Water Board from taking enforcement action for

unauthorized discharge of waste, and the Central Coast Water Board reserves the right to take any enforcement action authorized by law.

Authorized Impacts: Fill activities authorized by this NOA are limited to (1) 0.05 acres / 75 linear feet of temporary impacts to streambed and riparian area at the tributary to Nojoqui Creek; and (2) 0.005 acres / 75 linear feet of temporary impacts to streambed and riparian area at the tributary to Foxen Canyon Creek.

Additional Requirements: You must comply with all conditions of the General Order, including the following requirements:

1. Pursuant to section VI.D.4 of the General Order, you must inform the Central Coast Water Board of any project modifications that will interfere with the compliance of this General Order.
2. Pursuant to section VI.A.6 of the General Order, your Project must not cause a violation of any applicable water quality standards, including impairment of designated beneficial uses for receiving waters as adopted in the water quality control plans by any applicable Regional Water Board or any applicable State Water Board water quality control plan or policy (including the California Ocean Plan).

Mitigation for Temporary Impacts: Pursuant to General Order section VII.C, you must implement compensatory mitigation for impacts to waters of the State as described in your submitted *Las Flores Pipelines CA-324 And CA-325 Repair and Maintenance Project at Unnamed Tributary to the Cuyama River, San Luis Obispo County and Unnamed Tributaries to Nojoqui Creek, Peterson Creek, and Foxen Canyon, Santa Barbara County Mitigation Plan* prepared for Pacific Pipeline Company (Sable Offshore Corp.) by Padre Associates, Inc., dated January 2025, the *Sable Offshore Corp Las Flores Pipeline Repair and Maintenance Project Additional Notes* dated February 26, 2025**,** and as follows:

1. 0.05 acres / 75 linear feet of temporary impacts to streambed and riparian area at the tributary to Nojoqui Creek must be mitigated at a 1:1 ratio through the rehabilitation of 0.05 acres / 75 linear feet of streambed and riparian area habitat.
2. 0.005 acres / 75 linear feet of temporary impacts to streambed and riparian area at the tributary to Foxen Canyon Creek must be mitigated at a 1:1 ratio through the rehabilitation of 0.005 acres / 75 linear feet of streambed and riparian area habitat.

Reporting Requirements:

1. Pursuant to section VI.E.3.a of the General Order, you must submit a Commencement of Construction Notice at least seven (7) days prior to start of initial disturbance activities.
2. Pursuant to section VI.E.3.b of the General Order, you must submit a Request for Notice of Project Complete letter within thirty (30) days following completion of all project activities including post-construction monitoring of restoration sites.
3. Pursuant to section VI.E.4.a of the General Order, you must submit to the Central Coast Water Board an Annual Restoration Monitoring Report by May 31 of each year following enrollment under this Order. At a minimum, Annual Restoration Monitoring Reports shall address activities conducted during the prior calendar year. You must submit Annual Restoration Monitoring Reports until you have conducted all required monitoring, mitigation has achieved all success criteria, and a Notice of Project Complete Letter is issued to the discharger. Each Annual Restoration Monitoring Report shall include at a minimum:
   a. Mitigation reporting, if mitigation installation has started, including the following information:

i. Date mitigation installation was initiated and, if applicable, the date mitigation installation was completed;
ii. Confirmation that mitigation was installed according to the requirements of this Certification and as described in the application, the *Las Flores Pipelines CA-324 And CA-325 Repair and Maintenance Project at Unnamed Tributary to the Cuyama River, San Luis Obispo County and Unnamed Tributaries to Nojoqui Creek, Peterson Creek, and Foxen Canyon, Santa Barbara County Mitigation Plan* prepared for Pacific Pipeline Company (Sable Offshore Corp.) by Padre Associates, Inc., dated January 2025, the *Sable Offshore Corp Las Flores Pipeline Repair and Maintenance Project Additional Notes* dated February 26, 2025, and any other associated submittals;
iii. Analysis of monitoring data collected in the field;
iv. Erosion conditions;
v. Stream stability conditions;
vi. Quantification of growth, percent cover, survival, general health and stature, signs of reproduction, and documentation of progress toward achieving all mitigation performance criteria;
vii. Qualitative and quantitative comparisons of current mitigation conditions with preconstruction conditions and previous mitigation monitoring results;
viii. Any remedial or maintenance actions taken or needed;
ix. Any additional information specified in the *Las Flores Pipelines CA-324 And CA-325 Repair and Maintenance Project at Unnamed Tributary to the Cuyama River, San Luis Obispo County and Unnamed Tributaries to Nojoqui Creek, Peterson Creek, and Foxen Canyon, Santa Barbara County Mitigation Plan* prepared for Pacific Pipeline Company (Sable Offshore Corp.) by Padre Associates, Inc., dated January 2025 and the *Sable Offshore Corp Las Flores Pipeline Repair and Maintenance Project Additional Notes* dated February 26, 2025; and
x. Annual photo-documentation representative of all mitigation areas, taken from vantage points from which changes in size and cover of plants are evident. Compare photos of installed mitigation with photos of the mitigation areas prior to installation.

b. A description of mitigation completion status that identifies the amount of mitigation monitoring and maintenance remaining, or certifies and demonstrates that mitigation is complete, all required mitigation monitoring and maintenance has been conducted, and all success criteria achieved. If the monitoring period is over, but all success criteria have not been achieved, the Annual Project Status Report shall identify corrective measures to be undertaken, including extension of the monitoring period until the criteria are met.

The total application fee for this Project is $4,212. The remaining application fee payable to the Central Coast Water Board is $0. Annual fees may apply.

If you have questions, please contact **April Woods** at (805) 549 3332 or via email at April.Woods@waterboards.ca.gov or Phil Hammer at (805) 549-3882.

Sincerely,

Digitally signed by Phillip Hammer
Date: 2025.06.02 16:53:58 -07'00'

for
Ryan E. Lodge
Executive Officer

cc:

Chris Dunn, Padre Associates, Inc.: cdunn@padreinc.com

Steve Rusch, Sable Offshore Corp.: SRusch@sableoffshore.com

Victoria Tang, CA Department of Fish and Wildlife: Victoria.Tang@wildlife.ca.gov

Fritz Rieman, CA Department of Fish and Wildlife: Frederic.Rieman@Wildlife.ca.gov

Wesley Horn, California Coastal Commission: Wesley.Horn@coastal.ca.gov

State Water Board 401 Program: Stateboard401@waterboards.ca.gov

April Woods, Central Coast Water Board: April.Woods@waterboards.ca.gov

Phil Hammer, Central Coast Water Board: Phillip.Hammer@waterboards.ca.gov

Leah Lemoine, Central Coast Water Board: Leah.Lemoine@waterboards.ca.gov

Tamara Anderson, Central Coast Water Board: Tamara.Anderson@waterboards.ca.gov

Naomi Rubin, State Water Resources Control Board: Naomi.Rubin@waterboards.ca.gov

Sophie Froelich, State Water Resources Control Board: Sophie.Forelich@waterboards.ca.gov

Yvonne West, State Water Resources Control Board: Yvonne.West@waterboards.ca.gov

Central Coast Regional Water Quality Control Board

June 2, 2025

Lance Yearwood
Sable Offshore Corp.
845 Texas Avenue, Suite 2900
Houston, TX, 77002
Email: lyearwood@sableoffshore.com

VIA ELECTRONIC MAIL

Reg. Measure ID: 460421
Place ID: 900304

Dear Mr. Yearwood:

NOTICE OF APPLICABILITY FOR THE TRIBUTARY TO CUYAMA RIVER PROJECT, SAN LUIS OBISPO COUNTY, PROJECT NO. 34025WQ05

On April 25, 2025, the Central Coast Regional Water Quality Control Board (Central Coast Water Board) received your Notice of Intent (NOI) to enroll the Tributary to Cuyama River Project (Project) under the *Statewide General Waste Discharge Requirements for Dredged or Fill Discharges to Waters Deemed by the U.S. Army Corps of Engineers to be Outside of Federal Jurisdiction, Order No. 2004-0004-DWQ*.

The Project will discharge to an unnamed, ephemeral drainage which is a tributary to Cuyama River. Central Coast Water Board staff understands that the Project will restore impacts to the unnamed tributary resulting from unauthorized discharges of waste associated with pipeline repair and includes the following activities:

1. Restoring to pre-project conditions a total of 0.85 acres of disturbed land, including upland areas outside of waters of the State.
2. Minor grading of the channel bottom, using a mini-excavator or skid steer and hand tools, to match the contours of the Project site's upstream and downstream limits with the natural drainage feature.
3. Hand seeding the recontoured area; including streambank and upland area; with a blend of native seeds selected to restore pre-project site conditions.
4. Irrigating and maintaining the mitigation site as needed until success criteria have been achieved.
5. Installing erosion control best management practices (BMPs) which may include biodegradable straw wattles, jute netting or other appropriate storm water/erosion BMPs.

Central Coast Water Board staff has reviewed your NOI for the Project. The Central Coast Water Board Executive Officer is issuing this Notice of Applicability (NOA) authorizing the Project under Order No. 2004-0004-DWQ. This NOA does not authorize discharges of waste to waters of the state at the Project location that occurred prior to the date of its issuance. Your receipt of this NOA does not preclude the Central Coast Water Board from taking enforcement action for unauthorized discharge of waste, and the Central Coast Water Board reserves the right to take any enforcement action authorized by law.

Authorized Impacts: Fill activities authorized by this NOA are limited to (1) 0.03 acres / 120 linear feet of temporary impacts to streambed and 0.02 acres / 120 linear feet temporary impacts to riparian area.

Compensatory Mitigation Requirements: Pursuant to Order No. 2004-004-DWQ sections II.C.4 and II.C.9, you must implement compensatory mitigation for impacts to waters of the State as described in your submitted *Las Flores Pipelines CA-324 And CA-325 Repair and Maintenance Project at Unnamed Tributary to the Cuyama River, San Luis Obispo County and Unnamed Tributaries to Nojoqui Creek, Peterson Creek, and Foxen Canyon, Santa Barbara County Mitigation Plan* prepared for Pacific Pipeline Company (Sable Offshore Corp.) by Padre Associates, Inc., dated January 2025 and as follows:

1. 0.05 acres / 120 linear feet of temporary streambed and riparian area impacts must be mitigated at a 1:1 ratio through the rehabilitation of 0.05 acres / 120 linear feet of streambed and riparian area habitat and the surrounding upland area.

Additional Requirements: You must comply with all conditions of Order No. 2004-0004-DWQ, including the following requirements:

1. Pursuant to section II.C.4 of Order No. 2004-0004-DWQ, you must implement the Project in conformance with the information provided in your NOI. Any changes to the Project design as described in the NOI must receive Central Coast Water Board Executive Officer approval before the changes are implemented.
2. Pursuant to section II.C.16 of Order No. 2004-0004-DWQ, you must submit a Notice of Termination to the Central Coast Water Board upon completion of Project activities.
3. Pursuant to sections A.6 and A.11 of Order No. 2004-0004-DWQ, your Project must not cause significant adverse impacts on water quality, beneficial uses of waters of the State, and the environment. In addition, pursuant to section II.C.3 of Order No. 2004-0004-DWQ, your Project must not cause a condition of pollution, contamination, or nuisance.

Reporting Requirements: Pursuant to section C.26 of Order No. 2004-004-DWQ, you must submit the following reports:

1. Annual Restoration Monitoring Report – **The Permittee shall submit to the Central Coast Water Board an Annual Restoration Monitoring Report by May 31 of each year following enrollment under this Order.** At a minimum, Annual Restoration Monitoring Reports shall address activities conducted during the prior calendar year. The Permittee shall submit Annual Restoration Monitoring Reports until the Permittee has conducted all required monitoring, mitigation has achieved all success criteria, and the Permittee has submitted a Notice of Termination (NOT) requesting to be un-enrolled from Order No. 2004-0004-DWQ. Each Annual Restoration Monitoring Report shall include at a minimum:
    a. Mitigation reporting, if mitigation installation has started, including the following information:
        i. Date mitigation installation was initiated and, if applicable, the date mitigation installation was completed;
        ii. Confirmation that mitigation was installed according to the requirements of this NOA and as described in the application, the *Las Flores Pipelines CA-324 And CA-325 Repair and Maintenance Project at Unnamed Tributary to the Cuyama River, San Luis Obispo County and Unnamed Tributaries to Nojoqui Creek, Peterson Creek, and Foxen Canyon, Santa Barbara County Mitigation Plan* prepared for Pacific Pipeline Company

(Sable Offshore Corp.) by Padre Associates, Inc., dated January 2025, and any other associated submittals;

iii. Analysis of monitoring data collected in the field;
iv. Erosion conditions;
v. Stream stability conditions;
vi. Quantification of growth, percent cover, survival, general health and stature, signs of reproduction, and documentation of progress toward achieving all mitigation performance criteria;
vii. Qualitative and quantitative comparisons of current mitigation conditions with preconstruction conditions and previous mitigation monitoring results;
viii. Any remedial or maintenance actions taken or needed;
ix. Any additional information specified in the *Las Flores Pipelines CA-324 And CA-325 Repair and Maintenance Project at Unnamed Tributary to the Cuyama River, San Luis Obispo County and Unnamed Tributaries to Nojoqui Creek, Peterson Creek, and Foxen Canyon, Santa Barbara County Mitigation Plan* prepared for Pacific Pipeline Company (Sable Offshore Corp.) by Padre Associates, Inc., dated January 2025; and
x. Annual photo-documentation representative of all mitigation areas, taken from vantage points from which changes in size and cover of plants are evident. Compare photos of installed mitigation with photos of the mitigation areas prior to installation.

b. A description of mitigation completion status that identifies the amount of mitigation monitoring and maintenance remaining, or certifies and demonstrates that mitigation is complete, all required mitigation monitoring and maintenance has been conducted, and all success criteria achieved. If the monitoring period is over, but all success criteria have not been achieved, the Annual Restoration Monitoring Report shall identify corrective measures to be undertaken, including extension of the monitoring period until the criteria are met.

The total application fee for this project is $4,212. The remaining application fee payable to the Central Coast Water Board is $0. Annual fees may apply.

If you have questions, please contact **April Woods** at (805) 549 3332 or via email at April.Woods@waterboards.ca.gov or Phil Hammer at (805) 549-3882.

Sincerely,

Digitally signed by Phillip Hammer
Date: 2025.06.02 11:07:44 -07'00'

for
Ryan E. Lodge
Executive Officer

cc:

Chris Dunn, Padre Associates, Inc.: cdunn@padreinc.com

Steve Rusch, Sable Offshore Corp.: SRusch@sableoffshore.com

Victoria Tang, CA Department of Fish and Wildlife: Victoria.Tang@wildlife.ca.gov

Fritz Rieman, CA Department of Fish and Wildlife: Frederic.Rieman@Wildlife.ca.gov

Wesley Horn, California Coastal Commission: Wesley.Horn@coastal.ca.gov

State Water Board 401 Program: Stateboard401@waterboards.ca.gov

April Woods, Central Coast Water Board: April.Woods@waterboards.ca.gov

Phil Hammer, Central Coast Water Board: Phillip.Hammer@waterboards.ca.gov

Leah Lemoine, Central Coast Water Board: Leah.Lemoine@waterboards.ca.gov

Tamara Anderson, Central Coast Water Board: Tamara.Anderson@waterboards.ca.gov

Naomi Rubin, State Water Resources Control Board: Naomi.Rubin@waterboards.ca.gov

Yvonne West, State Water Resources Control Board: Yvonne.West@waterboards.ca.gov

Sophie Froelich, State Water Resources Control Board: Sophie.Froelich@waterboards.ca.gov

Central Coast Regional Water Quality Control Board

June 2, 2025

Lance Yearwood
Sable Offshore Corp.
845 Texas Avenue, Suite 2900
Houston, TX, 77002
Email: lyearwood@sableoffshore.com

VIA ELECTRONIC MAIL

Reg. Measure ID: 460422
Place ID: 900305

Dear Mr. Yearwood:

NOTICE OF APPLICABILITY FOR THE PETERSON TRIBUTARY PROJECT, SANTA BARBARA COUNTY, PROJECT NO. 34225WQ06

On April 25, 2025, the Central Coast Regional Water Quality Control Board (Central Coast Water Board) received your Notice of Intent (NOI) to enroll the Peterson Tributary Project (Project) under the *Statewide General Waste Discharge Requirements for Dredged or Fill Discharges to Waters Deemed by the U.S. Army Corps of Engineers to be Outside of Federal Jurisdiction, Order No. 2004-0004-DWQ*.

The Project will discharge to an unnamed, ephemeral drainage which is a tributary to Peterson Creek. Central Coast Water Board staff understands that the Project will restore impacts to the unnamed tributary resulting from unauthorized discharges of waste associated with pipeline repair and includes the following activities:

1. Restoring to pre-project conditions a total of 0.52 acres of disturbed land, including upland areas outside of waters of the State.
2. Minor grading of the channel bottom, using a mini-excavator or skid steer and hand tools, to match the contours of the Project site's upstream and downstream limits with the natural drainage feature.
3. Hand seeding the recontoured area; including streambank and upland area; with a blend of native seeds selected to restore pre-project site conditions.
4. Irrigating and maintaining the mitigation site as needed until success criteria have been achieved.
5. Installing erosion control best management practices (BMPs) which may include biodegradable straw wattles, jute netting or other appropriate storm water/erosion BMPs.

Central Coast Water Board staff has reviewed your NOI for the Project. The Central Coast Water Board Executive Officer is issuing this Notice of Applicability (NOA) authorizing the Project under Order No. 2004-0004-DWQ. This NOA does not authorize discharges of waste to waters of the state at the Project location that occurred prior to the date of its issuance. Your receipt of this NOA does not preclude the Central Coast Water Board from taking enforcement action for unauthorized discharge of waste, and the Central Coast Water Board reserves the right to take any enforcement action authorized by law.

Authorized Impacts: Fill activities authorized by this NOA are limited to (1) 0.01 acres / 100 linear feet of temporary impacts to streambed and 0.04 acres / 100 linear feet temporary impacts to riparian area.

Compensatory Mitigation Requirements: Pursuant to Order No. 2004-004-DWQ sections II.C.4 and II.C.9, you must implement compensatory mitigation for impacts to waters of the State as described in your submitted *Las Flores Pipelines CA-324 And CA-325 Repair and Maintenance Project at Unnamed Tributary to the Cuyama River, San Luis Obispo County and Unnamed Tributaries to Nojoqui Creek, Peterson Creek, and Foxen Canyon, Santa Barbara County Mitigation Plan* prepared for Pacific Pipeline Company (Sable Offshore Corp.) by Padre Associates, Inc., dated January 2025, and as follows:

1. 0.05 acres / 100 linear feet of temporary streambed and riparian area impacts must be mitigated at a 1:1 ratio through the rehabilitation of 0.05 acres / 100 linear feet of streambed and riparian area habitat.

Additional Requirements: You must comply with all conditions of Order No. 2004-0004-DWQ, including the following requirements:

1. Pursuant to section II.C.4 of Order No. 2004-0004-DWQ, you must implement the Project in conformance with the information provided in your NOI. Any changes to the Project design as described in the NOI must receive Central Coast Water Board Executive Officer approval before the changes are implemented.
2. Pursuant to section II.C.16 of Order No. 2004-0004-DWQ, you must submit a Notice of Termination to the Central Coast Water Board upon completion of Project activities.
3. Pursuant to sections A.6 and A.11 of Order No. 2004-0004-DWQ, your Project must not cause significant adverse impacts on water quality, beneficial uses of waters of the State, and the environment. In addition, pursuant to section II.C.3 of Order No. 2004-0004-DWQ, your Project must not cause a condition of pollution, contamination, or nuisance.

Reporting Requirements: Pursuant to section C.26 of Order No. 2004-004-DWQ, you must submit the following reports:

1. Annual Restoration Monitoring Reports – **The Permittee shall submit to the Central Coast Water Board an Annual Restoration Monitoring Report by May 31 of each year following enrollment under this Order.** At a minimum, Annual Restoration Monitoring Reports shall address activities conducted during the prior calendar year. The Permittee shall submit Annual Restoration Monitoring Reports until the Permittee has conducted all required monitoring, mitigation has achieved all success criteria, and the Permittee has submitted a Notice of Termination (NOT) requesting to be un-enrolled from Order No. 2004-0004-DWQ. Each Annual Restoration Monitoring Report shall include at a minimum:
    a. Mitigation reporting, if mitigation installation has started, including the following information:
        i. Date mitigation installation was initiated and, if applicable, the date mitigation installation was completed;
        ii. Confirmation that mitigation was installed according to the requirements of this NOA and as described in the application, the *Las Flores Pipelines CA-324 And CA-325 Repair and Maintenance Project at Unnamed Tributary to the Cuyama River, San Luis Obispo County and Unnamed Tributaries to Nojoqui Creek, Peterson Creek, and Foxen Canyon, Santa Barbara County Mitigation Plan* prepared for Pacific Pipeline Company

(Sable Offshore Corp.) by Padre Associates, Inc., dated January 2025, and any other associated submittals;

iii. Analysis of monitoring data collected in the field;
iv. Erosion conditions;
v. Stream stability conditions;
vi. Quantification of growth, percent cover, survival, general health and stature, signs of reproduction, and documentation of progress toward achieving all mitigation performance criteria;
vii. Qualitative and quantitative comparisons of current mitigation conditions with preconstruction conditions and previous mitigation monitoring results;
viii. Any remedial or maintenance actions taken or needed;
ix. Any additional information specified in *the Las Flores Pipelines CA-324 And CA-325 Repair and Maintenance Project at Unnamed Tributary to the Cuyama River, San Luis Obispo County and Unnamed Tributaries to Nojoqui Creek, Peterson Creek, and Foxen Canyon, Santa Barbara County Mitigation Plan* prepared for Pacific Pipeline Company (Sable Offshore Corp.) by Padre Associates, Inc., dated January 2025; and
x. Annual photo-documentation representative of all mitigation areas, taken from vantage points from which changes in size and cover of plants are evident. Compare photos of installed mitigation with photos of the mitigation areas prior to installation.

b. A description of mitigation completion status that identifies the amount of mitigation monitoring and maintenance remaining, or certifies and demonstrates that mitigation is complete, all required mitigation monitoring and maintenance has been conducted, and all success criteria achieved. If the monitoring period is over, but all success criteria have not been achieved, the Annual Restoration Monitoring Report shall identify corrective measures to be undertaken, including extension of the monitoring period until the criteria are met.

The total application fee for this project is $4,212. The remaining application fee payable to the Central Coast Water Board is $0. Annual fees may apply.

If you have questions, please contact **April Woods** at (805) 549 3332 or via email at April.Woods@waterboards.ca.gov or Phil Hammer at (805) 549-3882.

Sincerely,

Digitally signed by Phillip Hammer
Date: 2025.06.02 10:42:38 -07'00'

for
Ryan E. Lodge
Executive Officer

cc:

Chris Dunn, Padre Associates, Inc.: cdunn@padreinc.com

Steve Rusch, Sable Offshore Corp.: SRusch@sableoffshore.com

Victoria Tang, CA Department of Fish and Wildlife: Victoria.Tang@wildlife.ca.gov

Fritz Rieman, CA Department of Fish and Wildlife: Frederic.Rieman@Wildlife.ca.gov

Wesley Horn, California Coastal Commission: Wesley.Horn@coastal.ca.gov

State Water Board 401 Program: Stateboard401@waterboards.ca.gov

Maxwell Ranta, Central Coast Water Board: Maxwell.Ranta@waterboards.ca.gov

April Woods, Central Coast Water Board: April.Woods@waterboards.ca.gov

Phil Hammer, Central Coast Water Board: Phillip.Hammer@waterboards.ca.gov

Leah Lemoine, Central Coast Water Board: Leah.Lemoine@waterboards.ca.gov

Tamara Anderson, Central Coast Water Board: Tamara.Anderson@waterboards.ca.gov

Naomi Rubin, State Water Resources Control Board: Naomi.Rubin@waterboards.ca.gov

Yvonne West, State Water Resources Control Board: Yvonne.West@waterboards.ca.gov

EXHIBIT 23

Docusign Envelope ID: 2314C88A-9498-4175-97F5-E8504E8365DB

State of California – Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
South Coast Region
3883 Ruffin Road
San Diego, CA 92123
(858) 437-4201
www.wildlife.ca.gov

GAVIN NEWSOM, Governor
CHARLTON H. BONHAM, Director

BY EMAIL ONLY

March 20, 2025

Brian Yearwood
Sable Offshore Corporation
12000 Calle Real
Goleta, CA 93117
lyearwood@sableoffshore.com

845 Texas Avenue Suite 2920
Houston, TX 77002
lyearwood@sableoffshore.com

Richard Connolly
1501 Viewpoint Drive
Oxnard, CA 93035
ranchoffice@protonmail.com

Complete Notification of Lake or Streambed Alteration, No. EPIMS-SBA-57481-R5, Las Flores Pipeline CA-324 Repair Project at Site 280.65.19 (Unnamed Drainage East of Baron Ranch)

Dear Brian Yearwood:

On February 18, 2025, the California Department of Fish and Wildlife (CDFW) received the above-referenced Notification of Lake or Streambed Alteration (notification) through CDFW's Environmental Permit Information Management System. Associated fees were provided by credit card that same day. On March 18, 2025, CDFW determined the notification is complete.

CDFW is required to submit a draft streambed alteration agreement (agreement) to you within 60 calendar days after deeming the notification complete if CDFW determines an agreement is required. An agreement is required if CDFW determines the project described in the notification could substantially adversely affect an existing fish or wildlife resource.

CDFW has reviewed your notification and has determined the project will not substantially adversely affect an existing fish or wildlife resource. As a result, while a notification was required for the project, an agreement is not, provided the project is the same project and conducted in the same manner as described in the notification. Specifically, this includes recontouring the site back to the original elevation and

Docusign Envelope ID: 2314C88A-9498-4175-97F5-E8504E8365DB

removing 13 cubic yards of backfill material; revegetating the site and conducting long-term maintenance and monitoring of the revegetated site in accordance with the mitigation plan included as a supplemental document to the notification; conducting work within the seasonal work period and term; and implementing all avoidance and mitigation measures to protect fish and wildlife resources, as specified in the notification. Beginning or completing a project different than the one described in your notification may constitute a violation of Fish and Game Code section 1602. In addition, if you do not complete your project before the term in your notification has expired, you will need to re-notify CDFW before you may continue your project.

A copy of this letter and your notification with all attachments should always be available at the project site.

If you have questions regarding this letter, please contact me at (562) 619-0605 or by email at frederic.rieman@wildlife.ca.gov.

Sincerely,

DocuSigned by:
Frederic Rieman
0B814863858E450...

Frederic (Fritz) Rieman
Senior Environmental Scientist (Supervisory)

ec: California Department of Fish and Wildlife
Susan Howell, Staff Services Analyst
susan.howell@wildlife.ca.gov

Docusign Envelope ID: F0019629-DCA6-4615-8B9A-8B56AFD0B338

State of California – Natural Resources Agency
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South Coast Region
3883 Ruffin Road
San Diego, CA 92123
(858) 437-4201
www.wildlife.ca.gov

GAVIN NEWSOM, Governor
CHARLTON H. BONHAM, Director

BY EMAIL ONLY

April 14, 2025

Brian Yearwood
Sable Offshore Corporation
12000 Calle Real
Goleta, CA 93117
lyearwood@sableoffshore.com

845 Texas Avenue Suite 2920
Houston, TX 77002
lyearwood@sableoffshore.com

J Mathis
7650 San Julian Road
Lompoc, CA 93436
jhmathis75@yahoo.com

Complete Notification of Lake or Streambed Alteration, No. EPIMS-SBA-58088-R5, Las Flores Pipeline CA-325 Repair Project at Sites R5-1, R5-2 and R5-3

Dear Brian Yearwood:

On March 13, 2025, the California Department of Fish and Wildlife (CDFW) received the above-referenced Notification of Lake or Streambed Alteration (notification) through CDFW's Environmental Permit Information Management System. Associated fees were provided by check on March 14, 2025. On April 14, 2025, CDFW determined the notification is complete.

CDFW is required to submit a draft streambed alteration agreement (agreement) to you within 60 calendar days after deeming the notification complete if CDFW determines an agreement is required. An agreement is required if CDFW determines the project described in the notification could substantially adversely affect an existing fish or wildlife resource.

CDFW has reviewed your notification and has determined the project will not substantially adversely affect an existing fish or wildlife resource. As a result, while a notification was required for the project, an agreement is not, provided the project is the same project and conducted in the same manner as described in the notification. Specifically, this includes minor recontouring of the three sites (R5-1, R5-2, and R5-3) back to the original contours; revegetating the sites via hand seeding and cuttings;

Docusign Envelope ID: F0019629-DCA6-4615-8B9A-8B56AFD0B338

conducting long-term maintenance and monitoring of the revegetated sites in accordance with the mitigation plan included as a supplemental document to the notification; conducting work within the seasonal work period and term; and implementing all avoidance and mitigation measures to protect fish and wildlife resources, as specified in the notification. Beginning or completing a project different than the one described in your notification may constitute a violation of Fish and Game Code section 1602. In addition, if you do not complete your project before the term in your notification has expired, you will need to re-notify CDFW before you may continue your project.

A copy of this letter and your notification with all attachments should always be available at the project site.

If you have questions regarding this letter, please contact me at (562) 619-0605 or by email at frederic.rieman@wildlife.ca.gov.

Sincerely,

DocuSigned by:
Frederic Rieman
0B814863858E450...

Frederic (Fritz) Rieman
Senior Environmental Scientist (Supervisory)

ec: California Department of Fish and Wildlife
Susan Howell, Staff Services Analyst

Docusign Envelope ID: CB630368-6FAC-4206-8600-E865D8003904

State of California – Natural Resources Agency
DEPARTMENT OF FISH AND WILDLIFE
South Coast Region 5
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San Diego, CA 92123
(858) 467-4201
www.wildlife.ca.gov

GAVIN NEWSOM, Governor
CHARLTON H. BONHAM, Director

BY EMAIL ONLY

September 29, 2025

Brian Yearwood
Sable Offshore Corporation
12000 Calle Real
Goleta, CA 93117
lyearwood@sableoffshore.com

845 Texas Avenue Suite 2920
Houston, TX 77002
lyearwood@sableoffshore.com

Complete Notification of Lake or Streambed Alteration, No. EPIMS-SBA-61813-R5, Las Flores Pipeline CA-324 and CA-325 Repair and Maintenance Project at Nine Locations from Venadito Canyon to Gaviota State Park

Dear Brian Yearwood:

On August 26, 2025, the California Department of Fish and Wildlife (CDFW) received the above-referenced Notification of Lake or Streambed Alteration (Notification) through CDFW's Environmental Permit Information Management System. Associated fees were provided by check on August 28, 2025. On September 29, 2025, your Notification was deemed complete.

CDFW is required to submit a draft Lake or Streambed Alteration Agreement (Agreement) to you within 60 calendar days from the date the Notification is deemed complete, if CDFW determines that an Agreement is required for the project. An Agreement will be required if CDFW determines that your project could substantially adversely affect an existing fish or wildlife resource. Therefore, CDFW has until December 1, 2025 to issue you a draft Agreement or inform you that an Agreement is not required.

Please be advised that you may not proceed with any work until CDFW executes an Agreement, informs you that an Agreement is not needed, or does not provide you with a draft Agreement within 60 days of the date your Notification was deemed complete.

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Brian Yearwood
Sable Offshore Corporation
EPIMS-SBA-61813-R5
September 29, 2025

If you have questions regarding this letter, please contact me at (562) 619-0605 or by email at frederic.rieman@wildlife.ca.gov.

Sincerely,

DocuSigned by:
Frederic Rieman
0B814863858E450...

Frederic (Fritz) Rieman, Senior Environmental Scientist (Supervisory)

ec: California Department of Fish and Wildlife
Susan Howell, Staff Services Analyst

EXHIBIT 24

Docusign Envelope ID: FAA4729A-C0D4-4C24-B7C9-7BD988340221

EZ Profile™

Requested Facility: McKittrick Waste Landfill ❑ Unsure Profile Number: 671091CA
❑ Multiple Generator Locations (Attach Locations) ❑ Request Certificate of Disposal ❑ Renewal? Original Profile Number:

A. GENERATOR INFORMATION (MATERIAL ORIGIN)

1. Generator Name: SYU ONSHORE - LAS FLORES CANYON
2. Generator Site Address: 12000 CALLE REAL
   (City, State, ZIP) Goleta CA 93117
3. County: Santa Barbara
4. Contact Name: James Anderson
5. Email: james.anderson@stantec.com
6. Phone: (805) 701-1420 7. Fax:
8. Generator EPA ID: ☑ N/A
9. State ID: ☑ N/A

B. BILLING INFORMATION ❑ SAME AS GENERATOR

1. Billing Name: Sable Offshore Corp
2. Billing Address: 845 TEXAS ST STE 2920
   (City, State, ZIP) HOUSTON TX 77002
3. Contact Name: Luis E. Garcia
4. Email: legarcia@sableoffshore.com
5. Phone: (805) 657-9523 6. Fax: (805) 567-9523
7. P.O. Number: 24FM0145
8. Payment Method: ☑ Credit Account ❑ Cash ❑ Credit Card at Gate

C. MATERIAL INFORMATION

1. Common Name: Soil/Sludge Clean-up of Anaerobic Filter Spill
   Describe Process(es) Generating Material: ❑ See Attached

Soil excavated from spill of sludge during cleanout of MBM-1109A Anaerobic Filter vessel at oil treatment plant.

2. Material Composition and Contaminants: ❑ See Attached

1. TPH/crude oil	0-1 %
2. Sludge	45-60 %
3. Soil/rocks	30-45 %
4. Plastic pall rings	5-10 %
Total comp. must be equal to or greater than 100%	≥100%

3. State Waste Codes: ☑ N/A
4. Color: Black to brown
5. Physical State at 70˚F: ☑ Solid ❑ Liquid ❑ Other:
6. Free Liquid Range Percentage: to ☑ N/A
7. pH: 7 to 9 ❑ N/A
8. Strong Odor: ❑ Yes ☑ No Describe:
9. Flash Point: ❑ <140˚F ❑ 140˚–199˚F ☑ ≥200˚ ❑ N/A

D. REGULATORY INFORMATION

1. EPA Hazardous Waste? ❑ Yes* ☑ No
   Code:
2. State Hazardous Waste? ❑ Yes ☑ No
   Code:
3. Is this material non-hazardous due to Treatment, Delisting, or an Exclusion? ❑ Yes* ☑ No
4. Contains Underlying Hazardous Constituents? ❑ Yes* ☑ No
5. Does the material contain benzene? ❑ Yes* ☑ No
6. Facility remediation subject to 40 CFR 63 GGGGG? ❑ Yes* ☑ No
7. CERCLA or State-mandated clean-up? ❑ Yes* ☑ No
8. NRC, State-regulated, NORM or TENORM waste? ❑ Yes* ☑ No

***If Yes, see Addendum (page 3) for additional questions and space.**

9. Contains PCBs? → If Yes, answer a, b and c. ❑ Yes ☑ No
   a. Regulated by 40 CFR 761? ❑ Yes ❑ No
   b. Remediation under 40 CFR 761.61? ❑ Yes ❑ No
   c. Were PCBs imported into the US? ❑ Yes ❑ No
10. Regulated and/or Untreated Medical/Infectious Waste? ❑ Yes ☑ No
11. Contains Asbestos? ❑ Yes ☑ No
    → If Yes: ❑ Non-Friable ❑ Non-Friable - Regulated ❑ Friable
12. Contains Dioxins? (If Yes, please attach analysis) ❑ Yes ☑ No

E. ANALYTICAL AND OTHER REPRESENTATIVE INFORMATION

1. Analytical attached ☑ Yes

   Please identify Lab Report(s) and list specific representative Sample ID#s:

Sample "SOLIDS SLUDGE BIOX 32oz 2507823-01" and "LIDS SLUDGE BIOX 32oz 2507823-02" in OEC 2507823

2. Other information attached (such as SDS)? ❑ Yes

F. SHIPPING AND DOT INFORMATION

1. ☑ One-Time Event ❑ Repeat Event/Ongoing Business
2. Estimated Annual Quantity/Unit of Measure: 200
   ❑ Tons ☑ Yards ❑ Drums ❑ Gallons ❑ Other
3. Container Type and Size: 20 yard bins
4. USDOT Proper Shipping Name ☑ N/A
5. Estimated Start Date 09/15/2025
6. Transportation Needed? ❑ Yes* ☑ No

G. GENERATOR CERTIFICATION (PLEASE READ AND CERTIFY BY SIGNATURE)

By signing this Waste Management ("WM") Profile, I hereby certify that all information submitted in this and all attached documents contain true and accurate descriptions of this material, and that all relevant information necessary for proper material characterization and to identify known and suspected hazards has been provided. Any analytical data attached was derived from a sample that is representative as defined in 40 CFR 261 - Appendix 1 or by using an equivalent method. All changes occurring in the character of the material (i.e., changes in the process or new analytical) will be identified by the Generator and be disclosed to WM prior to providing the material to WM. I am aware that there are significant penalties for knowingly submitting false information.

☑ I am authorized to sign on behalf of the Generator and I have confirmed with the Generator that information contained in this profile, as well as supporting documents provided, are accurate and complete.
❑ I am a duly authorized employee of Generator holding a position of technical responsibility with direct knowledge of the waste stream and the information contained in this profile, and I confirm that information contained in this profile, as well as supporting documents are accurate and complete.

Name (Print): LUIS E. GARCIA
Title: WASTE TECH
Company: PSC
Date: 09/08/2025

Certification Signature

Signed by:
LUIS GARCIA
4FD19C6DB83C4DD...

QUESTIONS? CALL 800 963 4776 FOR ASSISTANCE

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Docusign Envelope ID: FAA4729A-C0D4-4C24-B7C9-7BD988340221

EZ Profile™ Addendum

Only complete this Addendum if prompted by responses on EZ Profile™ (page 1) or to provide additional information. Sections and question numbers correspond to EZ Profile™.

Profile Number: 671091CA

C. MATERIAL INFORMATION

Describe Process Generating Material (Continued from page 1): If more space is needed, please attach additional pages.

Material Composition and Contaminants (Continued from page 1): If more space is needed, please attach additional pages.

5. Plastic Liner	1-2 %
6.	
7.	
8.	
9.	
Total composition must be equal to or greater than 100%	≥100%

D. REGULATORY INFORMATION

Only questions with a "Yes" response in Section D on the EZ Profile™ form (page 1) need to be answered here.

1. EPA Hazardous Waste
   a. Please list all USEPA listed and characteristic waste code numbers:
   b. Is the material subject to the Alternative Debris standards (40 CFR 268.45)? ❑ Yes ❑ No
   c. Is the material subject to the Alternative Soil standards (40 CFR 268.49)? → If Yes, complete question 4. ❑ Yes ❑ No
   d. Is the material exempt from Subpart CC Controls (40 CFR 264.1083)? ❑ Yes ❑ No
      → If Yes, please check one of the following:
      ❑ Waste meets LDR or treatment exemptions for organics (40 CFR 264.1082(c)(2) or (c)(4))
      ❑ Waste contains VOCs that average <500 ppmw (CFR 264.1082(c)(1)) – will require annual update.
   e. Form Code: f. Source Code:
2. State Hazardous Waste → Please list all state waste codes:
3. For material that is Treated, Delisted, or Excluded → Please indicate the category, below:
   ❑ Delisted Hazardous Waste ❑ Excluded Waste under 40 CFR 261.4 → Specify Exclusion:
   ❑ Treated Hazardous Waste Debris ❑ Treated Characteristic Hazardous Waste → If checked, complete question 4.
   ❑ Other Excluded Waste (i.e. state-excluded) → Specify Regulatory Citation:
4. Underlying Hazardous Constituents → Please list all Underlying Hazardous Constituents:
5. a. Are you an industry regulated under Benzene NESHAP? (Petroleum refineries, chemical manufacturing plants, coke by-product, and TSDFs.) ❑ Yes ❑ No
   b. Are you a TSDF? → If yes, please complete Benzene NESHAP questionnaire. If not, continue. ❑ Yes ❑ No
   c. What is the flow weighted average benzene concentration? ppmw
   d. What is your facility's current total annual benzene quantity in Megagrams? ❑ <1 Mg ❑ 1–9.99 Mg ❑ ≥10 Mg
   e. Is this waste soil from a remediation? ❑ Yes ❑No
      1. If yes, what is the benzene concentration in remediation waste? ppmw
   f. Does the waste contain >10% water/moisture? ❑ Yes ❑No
   g. Has material been treated to remove 99% of the benzene or to achieve <10 ppmw? ❑ Yes ❑No
   h. Is material exempt from controls in accordance with 40 CFR 61.342? ❑ Yes ❑No
      → If yes, specify exemption:
   i. Based on your knowledge of your waste and the BWON regulations, do you believe that this waste stream is subject to treatment and control requirements at an off-site TSDF? ❑ Yes ❑No
6. 40 CFR 63 GGGGG → Does the material contain <500 ppmw VOHAPs at the point of determination? ❑ Yes ❑No
7. CERCLA or State-Mandated clean up → Please submit the Record of Decision or other documentation with process information to assist others in the evaluation for proper disposal. A "Determination of Acceptability" may be needed for CERCLA wastes not going to a CERCLA approved facility.

Revised June 19, 2025 © 2025 WM Intellectual Property Holdings, L.L.C.

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LATHAM & WATKINS LLP

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London	Tel Aviv
Los Angeles	Tokyo
Madrid	Washington, D.C.

December 12, 2025

County of Santa Barbara
Office of the Clerk of the Board
105 E. Anapamu Street, Room 407
Santa Barbara, CA 93101
sbcob@countyofsb.org

Re: Response to Appeals of Planning Commission Approval of Change of Owner, Guarantor, and Operator for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant, and Las Flores Pipeline System

On behalf of Sable Offshore Corp., Pacific Pipeline Company, and Pacific Offshore Pipeline Company (collectively, the "Applicants"), we submit this response to the Appeals of the Planning Commission's October 30, 2024 approval of the Chapter 25B permit transfers ("Transfers") for the Santa Ynez Unit ("SYU"), the POPCO Facilities, and the Las Flores Pipeline System (collectively, the "Facilities").[1] The Board's task—now governed by the federal court's September 12, 2025 order[2]—is a confined inquiry tethered to the limited, ministerial findings listed in Chapter 25B. When those findings are met, approval is mandatory. This proceeding does not authorize new operations, the flow of oil through the Pipeline, or any physical changes; it is a records-based confirmation that the enumerated, County-imposed requirements were satisfied as of the date the applications were deemed complete (July 30, 2024).

The record is straightforward. County staff recommended approval of the Transfers three separate times (October 2024, February 2025, and November 2025) and the Planning Commission approved the Transfers after holding an evidentiary hearing and making each required finding under Chapter 25B. Notwithstanding this consistent record, the Board first deadlocked in February 2025 and then, on November 4, 2025, directed County staff to prepare proposed findings to deny the Transfers. As explained below, the Board should not approve County staff's Draft Findings

[1] During the Board hearing on November 4, 2025, the Supervisors voted to continue the matter to December 16, 2025. Santa Barabara Board of Supervisors, Minute Order (November 4, 2025), attached as Ex. 1, p. 2. As the December 16, 2025, Board hearing is a continued hearing, this letter incorporates by reference the Applicants' letter to the Board submitted on October 31, 2025 ("October 2025 Applicant Letter"), attached as Ex. 2, in its entirety, including all defined terms.

[2] Order Re Cross-Mot. for Summ. J. at 18, 23, *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.,* .No. 2:25-cv-04165-DMG-AGR (C.D. Cal. Sept. 12, 2025), Dkt. No. 52, attached as Ex. 3. *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.* is herein referred to as the "Litigation."

for Denial attached as Attachment A to the Board Letter for the December 16, 2025 Hearing ("December Draft Findings") because they (1) are not supported by the record, are based on matters that fall outside the County's jurisdiction and which are irrelevant to the County's consideration of the Transfers, and post-date the application completeness date; (2) are arbitrary and capricious because they directly contradict County staff's prior recommendations and the Planning Commission's approval without supplying an adequate basis for reversal; and (3) do not comply with County Code Chapter 25B, which requires the Board to make *all* of the required findings for Change of Owner, Change of Operator, and Change of Guarantor.

Applicants once again raise a lingering and separate due-process concern: two Supervisors—Chair Capps and Supervisor Hartmann—participated in the November 4, 2025 vote despite records demonstrating bias and a disqualifying property-based conflict, respectively.[3] As detailed in Applicants' December 3, 2025 letter, Supervisor Hartmann relied on an advice letter from the California Fair Political Practices Commission ("FPPC") staff as justification for her departure from her longstanding practice of recusing herself from matters involving the Pipeline due to the proximity of the Pipeline to her property. However, the County's prior submission to the FPPC overstated the distance between her property and the Pipeline, invalidating the advice in the FPPC letter. In fact, the Pipeline is just eight feet from Supervisor Hartmann's property – much closer than the 900 feet assumed by the FPPC in rendering its opinion in the FPPC letter. The FPPC letter also expressly stated that "[i]f at any time there are indications that [the Pipeline] is in fact closer to Supervisor Hartman[n]'s property than currently estimated," as is now the case, "Supervisor Hartman[n] should seek additional advice prior to any further involvement in decisions involving the Pipeline." To our knowledge, Supervisor Hartmann has not sought any such advice from the FPPC and, as such, Supervisor Hartmann must recuse herself from the December 4, 2025 Hearing. Supervisor Hartmann and Chair Capps's participation undermines the fairness of the quasi-judicial process and further demonstrates that any decision must rest solely on the ministerial, enumerated findings in Chapter 25B.

Supervisor Hartmann and Chair Capps's participation undermines the fairness of the quasi-judicial process and further demonstrates that any decision must rest solely on the ministerial, enumerated findings in Chapter 25B.

[3] *See* Letter from Latham & Watkins to Chair Capps *et al.*, "November 4, 2025, Meeting of the Santa Barbara County Board of Supervisors regarding Appeals of Planning Commission Approval of Change of Owner, Guarantor, and Operator for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant and Las Flores Pipeline System – Request for Recusal of Chair Capps" (October 30, 2025); Letter from Latham & Watkins to Supervisor Hartmann *et al.*, "November 4, 2025, Meeting of the Santa Barbara County Board of Supervisors regarding Appeals of Planning Commission Approval of Change of Owner, Guarantor, and Operator for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant and Las Flores Pipeline System – Request for Recusal of Supervisor Hartmann" (October 30, 2025); Letter from Latham & Watkins to Supervisor Hartmann *et al.*, "December 16, 2025, Meeting of County Board of Supervisors Regarding Appeals of Planning Commission Approval of Change of Owner, Guarantor, and Operator for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant and Las Flores Pipeline System – Request for Supervisor Hartmann to Seek Additional Advice from the FPPC and Recuse Herself from Matters Involving the Pipeline" (December 3, 2025).

Applicants have met each of the guarantor, owner, and operator findings set forth in Chapter 25B with substantial evidence in the County record. As such, the Board should deny the Appeals and approve the Transfers consistent with staff's repeated prior recommendations and the Planning Commission's adopted findings.

I. PRIOR PROCEEDINGS AND GOVERNING FRAMEWORK

This submission proceeds from an established record. The Applications were deemed complete on July 30, 2024; County staff recommended approval in October 2024, again in February 2025, and again for the November 4, 2025 hearing; and the Planning Commission approved the Transfers after holding its own evidentiary hearing and making each required finding in Chapter 25B. The federal court's September 12, 2025 order now governs: the Board must decide the Appeals in compliance with Chapter 25B, applying fixed standards to objective facts and assessing compliance as of the completeness date. Specifically, Chapter 25B confines the Board's review to the enumerated guarantor, owner, and operator findings and mandates that the Board approve transfers when those findings are met. Matters outside Chapter 25B—including subjects that are preempted by state or federal law—are not before the Board in this ministerial proceeding and cannot supply a basis for denial. For the same reason, the Transfers—which only require the Board to apply fixed standards to existing permits to effectuate a wholly administrative change—are not a project under the California Environmental Quality Act ("CEQA"). The October 2025 Applicant Letter provides the full background and legal analysis; this submission builds on that record and distills only the additional points necessary for the Board's consideration at its continued December 16, 2025 hearing.

What follows demonstrates, finding-by-finding, that each Chapter 25B requirement is satisfied in the record and that County staff's prior consistency analysis and the Planning Commission's adopted findings are supported by substantial evidence. The December Draft Findings make no reference to any finding required by Chapter 25B for Change of Owner, Operator, and Guarantor other than the Operator Capability finding. (December Draft Findings.) Further, the December Draft Findings provide no evidence suggesting that County staff's prior recommendations that the Board make the remaining findings required by Chapter 25B should be reversed. (*See* December Draft Findings; October 2025 Proposed Findings.) As such, the December Draft Findings do not demonstrate compliance with the court's September 12, 2025 Order directing the Board to make a determination on the Appeals that is "tethered to factual findings under Chapter 25B-8, 9, and 10." (Order re Cross-Motions for Summary Judgment (Ex. 3, pp. 23-24.)[4] For example, the December Draft Findings include no findings with respect to Chapter 25B-9, and only includes one of nine required findings under Chapter 25B-10. Further, the December Draft Findings assert that the Operator Capability finding cannot be made based on matters that are beyond the County's jurisdiction and irrelevant to the County's consideration of the Transfers under Chapter 25B. Absent any legitimate basis to deny the Transfers under Chapter 25B's express requirements, the Board must deny the Appeals and approve the Transfers

[4] Chapter 25B-8 describes procedures, while the required findings are contained in Chapter 25B-9 and B-10.

consistent with the court's order, staff's repeated prior recommendations, and the County's own precedent.

II. THE OPERATOR CAPABILITY FINDING HAS BEEN SATISFIED; THE DECEMBER DRAFT FINDINGS RELY ON IRRELEVANT, EXTRA-JURISDICTIONAL, AND EXTRA-STATUTORY RATIONALES

The December Draft Findings dispute only one required finding under Chapter 25B: the Operator Capability finding required for a Change of Operator. (December Draft Findings, pp. 1-10.) As described below, the arguments in the December Draft Findings are not supported by substantial evidence. Instead, the purported evidence relied on to support the December Draft Findings is irrelevant to the County's consideration of the Transfers under Chapter 25B and describe matters that fall outside the County's limited jurisdiction in these proceedings. Moreover, in many instances, the December Draft Findings represent an arbitrary and unwarranted departure from the County's previous positions on the same subjects. The Board must reject the December Draft Findings and instead affirm the Planning Commission's decision.

A. Applicants Have Fully Satisfied the Operator Capability Finding (County Code § 25B-10(a)(9))

The Operator Capability finding for Change of Operator states:

> "*Operator Capability. The proposed operator has the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes and has demonstrated the ability to comply with compliance plans listed in section 25B-10.1.f. The director shall require relevant records of compliance, and corrective actions taken subsequent to any major incidents for facilities, if any, that are similar in nature to those that are the subject of the permit, as may be necessary to make findings. These records shall be used to provide sufficient assurance that the proposed operator does not reflect a record of non-compliant or unsafe operations systemic in nature for similar facilities to those being considered for operatorship*." (County Code § 25B-10(a)(9).)

As discussed in detail in the October 2025 Applicant Letter to the Board (Ex. 2) this finding is, by its plain language, ministerial. It confines the Planning Commission to reviewing specifically enumerated compliance records and corrective actions for major incidents at similar facilities, to ensure the proposed operator "does not reflect a record of non-compliant or unsafe operations systemic in nature for similar facilities." (County Code § 25B-10(a)(9).) As explained therein, both the text and history of Chapter 25B confirm that the County cannot use this finding as a discretionary catch-all to impose new financial assurances, bonds, fees, compliance plans or other requirements already specifically addressed by *other* sections of Chapter 25B, or to consider factors specifically not included in any of Chapter 25B's findings. (*See generally* County Code § 25B-10; October 2025 Applicant Letter, pp. 15-16.) The operator capability finding is ministerial, and the Board is limited to assessing the specific records and criteria specified therein.

As also detailed in the October 2025 Applicant Letter and as discussed further below, this finding is fully preempted with respect to the Pipeline, meaning that the Board's authority is limited to analyzing this finding for the SYU and POPCO Facilities. (October 2025 Applicant Letter (Ex. 2), pp. 7-9.)

In any event, Applicants' proven experience and track record satisfy this finding, as confirmed by the Planning Commission and County staff. The following sections demonstrate that the Operator Capability finding has been met for the SYU, the POPCO Facilities, and the Pipeline and demonstrate that the December Draft Findings and Appellants' arguments related to the Operator Capability finding are based on matters that are irrelevant to the County's consideration of the Transfers under Chapter 25B and which fall outside the scope of the County's limited jurisdiction in these proceedings.

1. <u>The Section 25B-10(a)(9) Operator Capability Finding Has Been Met for the POPCO Facilities</u>

As the Planning Commission correctly found, and as County staff has repeatedly confirmed, the Operator Capability finding also has been met for the POPCO Facilities. (Commission Findings, pp. 5-6, 9; February 2025 Board Letter, pp. 10-11, 16; February 2025 Staff Presentation, p. 6; October 2025 Proposed Findings, p. 11; October 2025 Staff Presentation, p. 7.) As detailed in the Planning Commission Findings: "Operator capabilities for the POPCO Gas Plant are the same as for the SYU." (Commission Findings, p. 9.) As such, this finding is satisfied for the same reasons articulated above with respect to the SYU.

County staff's claims in the December Draft Findings that this finding has not been satisfied with respect to the POPCO Facilities lack merit. To the extent the December Draft Findings rely on evidence beyond the scope of the Operator Capability finding in Chapter 25B, as discussed below in Section II.A.4, such information is irrelevant to and cannot be considered when making this ministerial finding. Similarly, to the extent that the December Draft Findings rely on arguments related to Applicants' repair and maintenance work on the *Pipeline*, these arguments are irrelevant to the Operator Capability finding for the *POPCO Facilities*. ***Indeed, the December Draft Findings raise no arguments at all with respect to the POPCO Facilities.***

Because the December Draft Findings make absolutely no findings with respect to Operator Capability for the POPCO Facilities, there is no basis for denial. The Planning Commission correctly found, and County staff repeatedly confirmed, that the Applicants have the "skills, training, and resources necessary to operate the permitted facilit[ies]." This Board must find the same.

2. <u>The 25B-10(a)(9) Operator Capability Finding Has Been Met for the SYU</u>

As the Planning Commission correctly found, and as County staff has repeatedly confirmed, the Operator Capability finding has been met for the SYU. (Commission Findings, pp. 5-6; February 2025 Board Letter, pp. 10-11, 16; February 2025 Staff Presentation, p. 6; October 2025 Proposed Findings, pp. 6-7; October 2025 Staff Presentation, p. 7.) Sable has retained essentially the entire prior Las Flores Canyon facilities workforce—more than 90% of prior

personnel—and its California management team has deep, proven experience safely operating oil and gas facilities in Santa Barbara County with an average of 31 years of experience operating oil and gas facilities in the County. Onsite middle managers transferred from similar roles at the Facilities and average 21 years of experience. Approximately two-thirds of the employees at the Las Flores Canyon facilities (including the SYU and POPCO Facilities) are continuing in the same or similar capacities as before, and all personnel have been trained on facility-specific compliance plans. (*See* Commission Findings, pp. 5-6.)

All of this is undisputed. County staff and the Planning Commission relied on this record of experience and materials in the record, including Sable's organizational structure and key personnel credentials, written O&M procedures, training logs, emergency response protocols, and other safety records, to find that Sable has the skills, training, and resources to comply with County permits and codes and that this finding has been satisfied for the SYU. (Commission Findings, pp. 5-6; February 2025 Board Letter, pp. 10-12, 16; February 2025 Staff Presentation, p. 6, 13-14; October 2025 Proposed Findings, pp. 6-7, 11; October 2025 Staff Presentation, p. 7.) The Planning Commission also cited the extensive subject-matter expertise and experience of Sable's management team and on-site management team (described above), and lack of any "major incidents" related to crude oil and gas facilities in the U.S. in making this finding. (Commission Findings, p. 6.)

County staff's unsubstantiated claims in the December Draft Findings that this finding has not been satisfied with respect to the SYU lack merit. To the extent that the December Draft Findings rely on evidence beyond the scope of the Operator Capability finding in Chapter 25B, as discussed below in Section II.A.4, such information is irrelevant to and cannot be considered when making this ministerial finding. Similarly, to the extent that the December Draft Findings rely on arguments related to Applicants' repair and maintenance work on the *Pipeline*, these arguments are irrelevant to the Operator Capability finding for *the SYU*. As explained below, the only arguments raised with respect to Operator Capability for the SYU fail to establish that Sable has not met these requirements, as none of them reflect a record of non-compliant or unsafe operations systemic in nature. (*See* Sections II.A.4.a, c-f.) The Planning Commission correctly found, and County staff repeatedly confirmed, that the Applicants have the "skills, training, and resources necessary to operate the permitted facilit[ies]." This Board must confirm the same.

3. <u>The Section 25B-10(a)(9) Operator Capability Finding is Wholly Preempted with Respect to the Pipeline</u>

Chapter 25B's "Operator Capability" finding does not apply to the Pipeline at all. Rather, as detailed in in the October 2025 Applicant Letter, this finding is entirely preempted for the Pipeline. Pipeline safety, integrity management, the flow of oil through the Pipeline, and related capability assessments fall exclusively within the jurisdiction of the federal Pipeline and Hazardous Materials Safety Administration ("PHMSA") and, as such, Chapter 25B's Operator Capability finding cannot indirectly regulate those subjects by considering them.[5] Under a

[5] Pursuant to a 1988 Settlement Agreement, the County has acknowledged that it possesses "no authority over the design, construction and operation of [the Pipeline]" except as outlined in that agreement. (Settlement Agreement between the Celeron Pipeline Company of California and County of Santa Barbara,

comprehensive federal regulatory scheme that includes the Hazardous Liquid Pipeline Safety Act ("HLPSA"),[6] exclusive authority over interstate pipeline safety is vested in PHMSA.[7] The HLPSA expressly preempts any state or local attempt to impose additional or different safety standards on interstate pipelines. (49 U.S.C. § 60104(c); 49 C.F.R. § 195 app. A (2024).) As a result, the County is preempted from imposing safety-related requirements on the Pipeline, including the installation of specific equipment. (*See Sneddon v. Torch Energy Servs.* (2002) 102 Cal.App.4th 181, 187 [HLPSA preempts local regulation of pipeline safety]; *Olympic Pipe Line Co. v. City of Seattle* (9th Cir. 2006) 437 F.3d 872, 880 [invalidating local safety conditions as preempted].)

Even if the County were permitted to consider the Operator Capability finding with respect to the Pipeline, which it is not, the record confirms that this finding has been satisfied. The Planning Commission explained that "Sable's Executive Management Team have managed oil and gas exploration and production businesses in the Pacific Ocean, the Gulf of Mexico, and onshore California for more than 30 years." (Planning Commission Findings, pp. 12-13.) In addition, the Planning Commission found that the Executive Management Team has successfully operated other facilities in Santa Barbara County, such as the former Platform Irene and the associated Lompoc Oil & Gas Plant and Point Pedernales Pipelines, and Platforms Harvest, Hidalgo, Hermosa and the associated Gaviota Oil & Gas Plant and Point Arguello Pipelines. (*Id*., p. 13.) The Planning Commission also noted the Pipeline staff's extensive experience with both onshore and offshore pipelines, further noting that the "combined [average] years of experience of the pipeline operating team is 23 years." (*Id*.) Moreover, the Planning Commission found that "Sable has had zero major incidents involving crude oil and gas pipelines within the U.S." while managing facilities between 2009 and 2021. (*Id*.) County staff has repeatedly made similar determinations with respect to the Applicants' operator capability for the Pipeline. (*See* February 2025 Board Letter, pp. 10, 16; February 2025 Staff Presentation at 6, 13-14; October 2025 Proposed Findings, pp. 15-16; October 2025 Staff Presentation, p. 7.) The new material cited in the December Draft Findings is beyond the scope of the County's review under Chapter 25B. (Sections II.A.4, III.C.9.)

Feb. 8, 1988, attached as Ex. 4, Sec. 2.2.) The County further confirmed its absence of jurisdiction in the Litigation. The County admitted that it is "[u]ndisputed" that the "[Celeron] settlement agreement . . . confirmed the County's lack of jurisdiction over pipeline." (Excerpts from Aug. 1, 2025 Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law attached as Ex. 5, pp. 17-18.)

[6] Courts have recognized that the HLPSA's preemption provision must be broadly construed, and therefore prevents state and local governments from regulating pipeline operations, location, or standards. (*See Olympic Pipe Line Co.*, 437 F.3d at 880; *Couser v. Shelby County, Iowa*, 139 F.4th 664, 670 (8th Cir. 2025), *petition for cert. filed*, No. 25-419 (U.S. Oct. 7, 2025).)

[7] On November 26, 2025, Sable notified the PHMSA of its determination that its pipeline connecting the Santa Ynez Unit to the Pentland Station terminal in Kern County, CA constitutes an interstate pipeline facility under the Pipeline Safety Act. Sable requested PHMSA concurrence with its determination, as well as guidance on the orderly transition of regulatory oversight from the California Office of the State Fire Marshal ("OSFM") to PHMSA. (*See* Sable Offshore Corp., Dec. 1, 2025 Form 8-K, attached hereto as Ex. 6.)

Because the Operator Capability finding falls within PHMSA's jurisdiction, the Board is preempted from and cannot deny transfer of the permits based on this finding for the Pipeline. However, even if the Board's consideration of this finding was not preempted, the evidence demonstrates that this finding is satisfied, and the arguments to the contrary contained in the December Draft Findings lack merit.

4. Neither the December Draft Findings nor Appellants' So-Called "Evidence" Demonstrate Systemic Safety or Compliance Deficiencies with Respect to the FDPs, Applicable County Codes, or the Compliance Plans

The Operator Capability finding under Chapter 25B is narrow. It requires only that the County determine whether the proposed operator has the "skills, training and resources" to operate the facility "in compliance with ***the permit and all applicable county codes*** and has demonstrated the ability to comply with [certain specified] compliance plans." (County Code § 25B-10(a)(9) [emphasis added].) The finding further ***specifically lists*** what the decisionmaker can consider: relevant records of compliance with respect to "major incidents" at similar facilities and systemic unsafe operations to ensure the proposed operator "does not reflect a record of non-compliant or unsafe operations systemic in nature for similar facilities." (*Id.*)

Further, the Board may only consider information related to permit compliance available on the date the applications were deemed complete: July 30, 2024. (County Code §§ 25B-9(a)(5), 25B-10(a)(5); *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 5.), p. 10 ["undisputed" that County staff determined the applications were complete on July 30, 2024].) Considering *any* information that comes to the County at *any* point in time is inconsistent with the purpose of Chapter 25B, which is to provide a predictable process by which new owners, operators, and guarantors can obtain permit transfers through a transparent process. Allowing new arguments and allegations to be raised throughout the appellate process that were not considered by the Planning Commission does not comport with the text or purpose of Chapter 25B, nor with procedural due process. (*See Mullane v. Central Hanover Bank & Trust Co (*1950) 339 U.S. 306*,* 314 [Notice and opportunity to present objections is "an elementary and fundamental requirement" of due process.]; *Horn v. County of Ventura* (1979), 24 Cal. 3rd. 605, 616 [Notice must be "reasonably calculated to afford protected persons the realistic opportunity to protect their interests."].)

Even if the Operator Capability finding was not preempted for the Pipeline, which it is, none of the allegations raised by Appellants or cited in the December Draft Findings demonstrate relevant safety or compliance deficiencies with respect to any of the Facilities' Final Development Plans ("FDPs"), the County Code, or Facility compliance plans.

a. California Coastal Commission Matter (Pipeline and SYU)

The December Draft Findings wrongly assert that Sable's ongoing dispute with the California Coastal Commission ("Coastal Commission") is evidence that the Board can use as a basis to deny the Operator Capability finding under Chapter 25B. Specifically, the December Draft Findings broadly assert that the Applicants' "onshore anomaly repair work" on the Pipeline

is "[e]vidence that Sable [i]gnores [r]egulatory [a]gency directives." (December Draft Findings, p. 7.) The December Draft Findings also cite an allegation in a March 28, 2025 Coastal Commission staff report stating that "Sable staged excavators in particularly sensitive areas" and did not implement proper erosion control measures. (*Id.* at 8.) These allegations are incorrect on the facts and, moreover, do not support a conclusion the Applicants are not capable of operating in compliance with the FDPs, with County odes, and applicable compliance plans.

As an initial matter, the Commission's allegations and its dispute with the Applicants post-dates the application completeness date (July 30, 2024) and thus may not be considered in connection with the applications or the Appeals. In September 2024, the Coastal Commission issued a Notice of Violation ("NOV") (File No. V-9-24-0152) alleging that unpermitted repair and maintenance activities were occurring in the Coastal Zone, including excavation and other activities at various locations along the Pipeline. Sable undertook the activities at issue, also known as "anomaly repair work," in compliance with applicable federal pipeline safety regulations and pursuant to a federal Consent Decree entered in *United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.*, No. 2:20-cv-02415 (C.D. Cal. Oct. 15, 2020), Dkt. No. 33. Anomaly repairs are a common maintenance activity regularly performed on pipelines, and Sable and its predecessor had discussions with County staff in 2023 regarding the need to conduct anomaly repair work in compliance with these federal regulations and the Consent Decree. County staff understood that such work would be undertaken along the Pipeline and, based on those discussions, Sable also was told by County staff that no additional County permits would be required to conduct anomaly repair work along the Pipeline. This conclusion was consistent with anomaly repair work previously undertaken along the Pipelines, for which the County did not require any new or amended Coastal Act authorization. Nevertheless, after receiving the Commission's September 2024 NOV, and although Sable maintained that its anomaly repair work was authorized by the Pipeline's existing coastal development permits and other permits previously issued by the County, Sable stopped all anomaly repair work on the Pipeline in order to explore the Coastal Commission's allegations with Commission staff and the County. Sable then submitted detailed plans, maps, and similar information to the County to allow County staff to further assess whether any new or amended form of Coastal Act authorization or other permit would be required.

After reviewing information provided by Sable, ***County Planning and Development staff confirmed in a February 12, 2025, letter that Sable's anomaly repair work on the Pipeline was already authorized by the Pipeline's existing, lawfully issued coastal development permits***. (*See* County Authorization Letter, attached as Ex. 7.) The County reconfirmed this conclusion to Sable on March 21, 2025, with respect to anomaly repair work that Sable completed before receiving the NOV. The December Draft Findings assert for the first time that, although "[t]he County ultimately determined that no new County permits were required for the work, [] authorization should have been sought prior to initiating the digs." (December Draft Findings, p. 3.) This new assertion contradicts Sable's prior discussions with County staff as well as the plain language in the County's letter, which confirmed that the work was "authorized by the [Pipeline's] existing permits" and therefore required "no further application to or action by the County." (*See* County Authorization Letter (Ex. 7).) After the County confirmed that Sable's remaining repair and maintenance work was authorized under the Pipeline's existing FDP and associated County

approvals, Sable resumed its anomaly repair work and, in May 2025, completed its anomaly repair program along the Pipeline.

As the December Draft Findings note, on February 18, 2025, the Coastal Commission's Executive Director issued an Executive Director Cease and Desist Order ("CDO") (File No. ED-25-CD-01) requiring Sable to "cease further work along the Pipeline and immediately surrounding areas unless and until authorized by a new, final coastal development permit." On the same day, Sable filed litigation against the Coastal Commission seeking to clarify, in part, that the Commission lacked jurisdiction to issue NOVs or CDOs with respect to Sable's anomaly repair work because the County had confirmed such work already was authorized by the Pipeline's existing permits, including coastal development permits approved by the County under its delegated, certified Local Coastal Program authority. That litigation is ongoing, and Sable maintains that the Commission lacked jurisdiction to require new or amended Coastal Act authorization for the anomaly repair work in light of the County's confirmation.

The December Draft Findings assert, again for the first time, that "[a]lthough County staff and the Coastal Commission disagreed about whether new permits are necessary, the County did not authorize Sable to ignore the directives of the Coastal Commission." (December Draft Findings, p. 7.) To the contrary, the County's February 12, 2025, letter stated that the "County previously exercised its authority under its Local Coastal Program and delegated Coastal Act authority in approving the permit and the requested anomaly repair work is within the scope of those approved permits." (*See* County Authorization Letter (Ex.7).) The County's letter therefore expressly confirmed that the anomaly repair work already was authorized by the County pursuant to its delegated authority under the Coastal Act. (Coastal Act, § 30519.) Because the Pipeline's existing coastal development permits were not before the Commission on appeal (indeed, the Commission did *not* appeal the existing permits when they were first issued by the County), the Commission lacked the jurisdiction to overrule the County's determination and require new or amended Coastal Act authorization for the anomaly repair work. Sable resumed its anomaly repair program on this basis—only after receiving confirmation in the County's letter that such work was authorized pursuant to the County's delegated Coastal Act authority. Further, as discussed above, Sable did not "ignore the directives of the Coastal Commission." Instead, Sable promptly filed litigation to clarify, in part, that the Commission lacked jurisdiction to issue NOVs or CDOs with respect to Sable's anomaly repair work in light of the County's authorization.

The December Draft Findings also point to the Commission's March 28, 2025, Staff Report's assertions that Sable staged excavators in particularly sensitive areas. (December Draft Findings, p. 8.) As Sable explained to the Commission in an April 4, 2025, letter, the Environmental Impact Report/Environmental Impact Statement for the Pipeline concluded that the Pipeline's *entire* operational right-of-way would be disturbed by initial construction and remain *permanently* impacted by ongoing pipeline repair and maintenance activities such as pipeline anomaly repairs. Accordingly, any biological impacts resulting from the anomaly repair work within the Pipeline's operational right-of-way fall within the scope of impacts previously analyzed, authorized, and approved by the County. Sable also implemented several construction best management practices to ensure that impacts to coastal resources, biological resources, and archaeological resources resulting from the anomaly repair work would be consistent with the Pipeline's prior impact analyses related to ongoing repair and maintenance. Such practices

included conducting pre-construction biological resources surveys or ensuring that a biologist is available onsite to monitor work and conducting environmental awareness training with all onsite personnel. Further, subsequent ecological resource analyses have confirmed that impacts resulting from such work remained within the scope of impacts previously analyzed and approved.

The Commission also alleged that Sable's safety valve installation work and span remediation work required new or amended Coastal Act authorization. Sable installed 16 safety valves along the Pipeline in compliance with Assembly Bill 864 ("AB 864") after receiving express confirmation from the County that it "does not have permit authority or jurisdiction over the sixteen (16) safety valves and their ancillary equipment as currently proposed because they are safety valves required by state law [AB 864], related to the operation of an interstate Pipeline, and one foot or more underground." (Letter from Errin Briggs to J. Caldwell Flores (September 4, 2024), p. 1, attached as Ex. 17.) Sable's safety valve installation work required the same type and level of construction disturbance as Sable's anomaly repair work, and thus also falls within the scope of the Pipeline's existing coastal development permits. Sable also performed repair work on the offshore SYU pipeline facilities to reinforce the existing pipelines and ensure pipeline safety in late 2024. This work, known as span remediation work, is consistent with repair and maintenance activities previously performed on the offshore SYU pipelines under the existing coastal development permit for those facilities that did not require additional Coastal Act authorization.

Notwithstanding that Sable performed these repair and maintenance activities pursuant to prior Coastal Act authorizations and express County confirmation that no further permits were required, the Coastal Commission has continued to assert that such activities required new or amended coastal development permits, and the Commission issued a Cease and Desist Order, Restoration Order, and Administrative Penalty Order with respect to such activities in April 2025. Sable and the Commission presently are engaged in litigation regarding these Orders. Sable maintains that the Coastal Commission's allegations lack merit and that the Commission lacked authority to issue the Orders. Speculation regarding the outcome of these proceedings "is not evidence, less still substantial evidence." (*Department of Alcoholic Beverage Control v. Alcoholic Beverage Control Appeals Bd*. (2022) 82 Cal.App.5th 337, 346, as modified (Aug. 24, 2022); *see also Buckley v. California Coastal Com.* (1998) 68 Cal.App.4th 178, 192 ["Substantial evidence is not any evidence, but substantial proof of the essentials which the law requires in a given case"].)

Critically, Sable's dispute with the Coastal Commission does not demonstrate a violation by the Applicants of any FDP Condition or County code provision.[8] In fact, at the February 25, 2025 Board Hearing, County staff correctly explained that the Applicant's work on the Pipeline, "including installation of valves and conducting inspections and repairs" was "[o]utside of the [B]oard's consideration and for information only." (Excerpts from February 2025 Board Hearing Transcript (Ex. 8), p. 33.) County staff also correctly explained that "Chapter 25B does not require current compliance with non-county permits or non-county regulations to approve this permit

[8] The ongoing dispute with the Coastal Commission centers on interpretation and application of the Coastal Commission's authority under the California Coastal Act, and does not pertain to the application of County code provisions or FDP permit conditions.

transfer," and that the Applicants' repair and maintenance activities "do not reflect systemically unsafe operations related to major [incidents]." (*Id.* at p. 33.) The County offers no lawful basis for its sudden reversal of position with respect to Chapter 25B's scope and jurisdiction.

Sable's dispute with the Coastal Commission also does not demonstrate an inability to comply with County codes or the permits in the future or evidence unsafe operational practices. To the contrary, ***the County expressly confirmed that Sable's repair and maintenance activities along the Pipeline were authorized under the County's existing permits and did not require further Coastal Act authorization***. It would be arbitrary and capricious for the County to deny the Transfers based on conduct that the County itself determined was consistent with the County's prior authorizations and existing permits.[9]

In light of the County's own express confirmation that the Pipeline repair work already was authorized, Sable's ongoing jurisdictional dispute with the Coastal Commission cannot serve as a basis for the County to find that Applicants have not satisfied the "Operator Capability" finding.

Appellants' similar arguments are misplaced for the same reasons. Specifically, Appellants argue that Sable's dispute with the Coastal Commission over whether new or amended Coastal Act authorization was required for Sable's repair and maintenance activities to ensure the safety of the Pipeline and the offshore SYU facilities demonstrates operator incapability. (EDC October 31, 2025 Comment Letter, pp. 15-18.) As demonstrated above, whether already-completed repair and maintenance activities were authorized by existing Coastal Act authorizations (as the County has confirmed and Sable continues to maintain) has no bearing on and is not indicative of any systemic safety or operational compliance issues with respect to Sable's operation of the Facilities.

b. Regional Water Board NOVs, CDFW NOVs, AG Civil Complaint, DA Criminal Complaint (Pipeline)

The December Draft Findings discuss violations alleged by the Central Coast Regional Water Quality Control Board ("Water Board") and the California Department of Fish and Wildlife ("CDFW") associated with the Applicants' repair and maintenance work on the Pipeline. Applicants' repair and maintenance work was undertaken to make the Pipeline safer pursuant to the Consent Decree and longstanding repair obligations under the County-issued FDPs, and was conducted openly with extensive agency oversight and environmental safeguards.

As an initial matter, the alleged violations at issue in these cases relate only to the Pipeline and not to the other Facilities, and therefore have no bearing on operation of the SYU or the POPCO Facilities. Further, these alleged violations fall outside Chapter 25B's narrow scope

[9] *See* County Authorization Letter (Ex. 7) ("The County conducted a detailed review of pipeline permitting history and the Coastal Zoning Ordinance. Planning and Development concludes that this pipeline anomaly repair work is authorized by the existing permits (Final Development Plan, Major Conditional Use Permit, and associated Coastal Development Permits) and was analyzed in the prior Environmental Impact Report/Environmental Impact Statement (EIR/EIS).").

because they are based on events that occurred after the Applicants' application was deemed complete on July 30, 2024. Moreover, the Operator Capability finding is limited to compliance with applicable County permits and County codes, not state laws, further illustrating the irrelevance of these disputes from the County's scope of review under Chapter 25B. (County Code § 25B-10(a)(9).) As discussed in Section II.A.4.b, *supra*, at the February 25, 2025 Board Hearing, County staff correctly explained that the Applicants' work on the Pipeline was outside the scope of the Board's consideration, Chapter 25B does not require compliance with non-County permits and regulations, and the Applicants' repair and maintenance activities "do not reflect systemically unsafe operations related to major [incidents]." (Excerpts from February 2025 Board Hearing Transcript (Ex. 7), p. 33.) Consistent with that limited scope, the appropriate forum for any remaining permitting issues is the Water Board's civil process—not the County FDP transfer process—particularly where the repair work was designed to reduce risk and restore safe operation of the Pipeline.

More fundamentally, ***none*** of the alleged violations relate to safety issues, nor do they allege any discharges of oil, petroleum, or any hazardous substance, or any noncompliance with the FDPs, applicable County codes, or the compliance plans. Rather, the disputes relate to whether Applicants engaged in unpermitted discharges of dredged material, fill material or excavated material (i.e., dirt) to certain temporary, seasonal waterways, and alleged unpermitted diversion of the same waterways while completing Pipeline repair and maintenance activities required under federal regulations and the Consent Decree.

Before the work at issue was performed, the Applicants' expert technical consultants conducted biological and cultural assessments to confirm that no adverse effects on biological and cultural resources would occur.[10] All such activities also were witnessed and observed by OSFM personnel. According to Applicants' qualified advisors, no wildlife was adversely affected. After the work commenced, the Water Board and CDFW separately informed Applicants of its perspective that certain work required additional permits and authorization. After learning of the agencies' perspectives, Applicants engaged with the Water Board and CDFW in a spirit of cooperation and shared commitment to the protection of the California Central Coast and the County of Santa Barbara's local environment. Specifically, Applicants promptly (i) hired additional experts; (ii) responded directly to the NOV's allegations[11]; and (iii) hosted regulators – including the Water Board – for repeated site visits. These actions allowed regulators to ensure that appropriate mitigation and best management practices were implemented.[12] Notably,

[10] Specifically, David Wolff Environmental, LLC to perform aquatic resource delineations and restoration planning, and Albion Environmental to conduct cultural surveys and sacred-land searches; biologists and cultural monitors were present during repairs and no incidents of adverse effects to wildlife were found to have occurred.

[11] Sable promptly responded to the December 2024 NOVs in January 2025 with technical reports and permit applications, sand supplemented its responses in March, April, and June 2025.

[12] Indeed, in response to Applicants' diligent efforts to resolve the Regional Water Board's concerns, on December 4, 2025 the Regional Water Board issued completion notices to Applicants for the Tributaries to Ephemeral Streambeds Project and the Tributaries to Venadito Canyon Creek, Arroyo Quemado, and

Applicants have already implemented all necessary actions in accordance with permits issued in March 2025 by the Regional Water Board and CDFW.

Applicants have demonstrated their commitment to cooperate with the agencies and to promptly comply with their directives.[13] With respect to the CDFW, on January 13, 2025, Sable timely responded to the agency's December 17, 2024 notice. Without debating the merits of the underlying allegations, Applicants immediately undertook requested permitting activities. The four locations at issue in CDFW's December 17, 2024 notice were permitted by both CDFW and the Regional Water Board in March, April, June, and September 2025, and Applicants undertook appropriate action. No further action is being sought or is warranted at this time. In addition, the assertion that Applicants failed to respond to the Regional Water Board's January 22, 2025, directive is inaccurate. Applicants timely submitted a technical report on March 7, 2025—within the initial 45-day period set by the Regional Water Board—explaining the scope of work and identifying locations, while noting that additional time would be needed to compile the full universe of information requested. Applicants then submitted supplemental materials on April 15, 2025, June 11, 2025, and August 13, 2025. Following the August 13, 2025 submission, Regional Water Board staff acknowledged that Applicants had exhausted their efforts and submitted all required information.

Applicants are actively working to resolve any remaining disputes and have received after-the-fact permits for five sites identified in the NOVs. For the remaining sites, the Applicants (i) have been notified by the Water Board that all after-the-fact permitting applications have been deemed complete and anticipate receiving final permits within 60 days, and (ii) are actively working with CDFW regarding final Lake and Streambed Alteration Agreements and are awaiting final approvals for additional locations.[14] Accordingly, any allegations that the Applicants "ignore regulatory directives" are misplaced. In addition to being irrelevant, consideration of the criminal and civil complaints would be unduly prejudicial. The September 16, 2025, and October 3, 2025, complaints are not final orders, and Sable will defend itself in court from these allegations. On November 25, 2025, Sable filed its Answer to the civil complaint, denying the specific allegations cited by the County in the December Draft Findings. The County should not rely on unsubstantiated allegations made in a prosecutorial document as evidence for unrelated decision-making. Speculation regarding the outcome of these proceedings is not substantial evidence. (*Department of Alcoholic Beverage Control*, 82 Cal.App.5th at 346; *Buckley*, 68 Cal.App.4th at 192.) Nor is it the "sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs," which is standard for admissibility of evidence established by this Board's Governing Procedural Rules. (Procedural Rules Governing Planning, Zoning and

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Arroyo Hondo Project, finding that Applicants had fully resolved the Regional Water Board's concerns in its notices of intent. (Ex. 20.)

[13] Applicants' responses the Regional Water Board's directives are attached as Ex. 18. Applicants' responses to CDFW's December notice are attached as Ex. 19.

[14] The Regional Water Board Approved Notices of Applicability are attached as Ex. 22. The CDFW has approved a final Lake or Streambed Alteration Agreement for one site (See CDFW Final Lake or Streambed Alteration Agreement, attached as Ex. 20.), and has deemed that a Lake or Streambed Alteration Agreement was not required for 4 other sites – (see CDFW Complete Notifications of Lake or Streambed Alteration attached as Ex. 23).

Subdivision Hearings Before the Board of Supervisors and Planning Commission (Santa Barbara County Res. No. 91-333) (hereinafter "Governing Procedural Rules"), Sec. V.2.) Under this standard, unadjudicated charges and unproven allegations should be excluded due to their minimal probative value and high risk of unfair prejudice and confusion. (*See*, *e.g.*, *In Re Arreguin De Rodriguez* (BIA 1995*)* 21 I. & N. Dec. 38, 42 [administrative body declined to give substantial weight to an arrest report "absent a conviction or corroborating evidence of the allegations contained therein."].)

For all of the above reasons, these complaints are also not a basis for the County to find that Applicants have not satisfied the "Operator Capability" finding.

c. California State Lands Commission (SYU)

The December Draft Findings also cite to statements made by the Chair of the California State Lands Commission ("SLC") in a May 23, 2025, letter regarding Sable's resumption of oil production at the SYU.[15] Such statements are irrelevant to, and outside the scope of, the County's jurisdiction under the Operator Capability finding. While the December Draft Findings assert that the Chair's statements are "evidence that Sable fails to comply with applicable laws" and that Sable has acted without prior notice or prior authorization from regulators, the Draft Findings wholly fail to identify any law or requirement that the Applicants have violated in connection with the events complained of by the SLC Chair. The SLC Chair's subjective opinions regarding Applicants' description of their operations are immaterial to the County's consideration of the Transfers under Chapter 25B.

Appellants' arguments on this issue likewise make no effort to demonstrate the relevance of any of these communications to the inquiry required by the Operator Capability finding. (EDC Oct. 31, 2025 Comment Letter, pp. 19, 24; CBD October Letter, pp. 7, 11, 16.) Indeed, disagreements between agencies and operators are commonplace in a heavily regulated industry like oil and gas operations; disagreements or even disputes are not evidence of safety violations or systemic non-compliance. Such disagreements or disputes do not demonstrate any systemic safety deficiencies or compliance issues with respect to the FDPs, County code or compliance plans. Simply put, none of these communications have any bearing on the Operator Capability finding.

d. May 2025 Operations (Filling Storage Tanks with Diesel, SYU Offspec Propane Bullet, Petroleum Transport to SYU) (SYU)

[15] Moreover, the December Draft Findings are mistaken about Sable's litigation because ***there are no SEC lawsuits against Sable***. (*See* December Draft Findings, p. 6 [discussing "two Securities and Exchange Commission (SEC) lawsuits"].) This aspect of the December Draft Findings may be intended to refer to private lawsuits brought by Sable's shareholders. (*Johnson v. Sable*, No. 2:25-cv-06869-SVW-PVC (C.D. Cal. July 28, 2025); *Kelly v. Flores*, No. 2:25-cv-07848-SVW-PVC (C.D. Cal.).) Notably, there have been no findings in either case that Sable or its personnel violated any applicable laws. In *Johnson*, Sable moved to dismiss the amended complaint, and it denies any wrongdoing. (Dkt. No. 73.) In *Kelly*, where Sable is only a nominal defendant, the parties stipulated to stay the claims. (Dkt. No. 25.)

The December Draft Findings also assert that Sable failed to comply with SYU FDP Permit Condition XI-2.a before unloading diesel trucks[16] at the SYU and unloading liquified petroleum gas at the SYU, asserting that the provision required Sable to process a "Management of Change Protocol with the Systems Safety and Reliability Review Committee (SSRRC) (December Draft Findings, p. 3.)[17] The December Draft Findings, however, do not identify any provision of SYU FDP Permit Condition XI-2.a that would require Sable to notify the SSRRC or complete a Management of Change protocol in connection with these activities.[18] In any event, Sable ***voluntarily processed a Management of Change protocol*** related to filling crude oil tanks with diesel fuel (at the request of the County's consultant) and confirmed that the process was completed on June 12, 2025. With respect to the SYU Offspec Propane Bullet activities, Sable communicated with the County's consultant regarding these actions and ***obtained his concurrence that no Management of Change protocol was required***. There is thus no violation of the FDP with respect to either action.

The December Draft Findings also state that Sable began moving petroleum from the offshore platforms to the onshore SYU "prior to formally notifying the County" in May 2025. (December Draft Findings, p. 3.) To the contrary, Sable communicated its intention to move petroleum to the onshore SYU facilities to the County's petroleum engineering consultant ***on multiple occasions*** before doing so. Moreover, the December Draft Findings fail to identify any provision of the SYU FDP that would require a more formal notification process with the County before moving oil into the onshore facilities. As such, these activities do not suggest that Sable has "repeatedly undertaken activities prior to notifying regulators and obtaining prior authorizations," as the December Draft Findings claim. (December Draft Findings, p. 3.)

As noted above, the text of the Operator Capability requirement confines the County's review to *specifically enumerated* compliance records and corrective actions "taken subsequent to ***major incidents***" at similar facilities, to ensure the proposed operator "does not reflect a record of non-compliant or unsafe operations systemic in nature for similar facilities." (County Code § 25B-10(a)(9) [emphasis added].) None of these items fall within the scope of this requirement; these items do not undermine the Planning Commission's finding that the Operator Capability finding has been met.

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[16] Confirming the sloppiness of the factual allegations, the December Draft Findings also misstate the number of diesel trucks unloaded.

[17] Appellants point to a related correction item from the County's System Safety & Reliability Review Committee's ("SSRRC") Audit Matrix related to a requirement that the Applicants notify the County of a Change in Service for a storage tank from storing crude oil to storing diesel. (EDC Oct. 31, 2025 Comment Letter, pp. 23-24.) However, as Appellants acknowledge, the County indicated that Sable promptly "completed" this correction item. (EDC Oct. 31, 2025 Comment Letter, p. 24; October Board Letter, p. 3 [noting that the applicants had "[c]ompleted all County System Safety & Reliability Review Committee (SSRRC) audit matrix correction items."].)

[18] The FDP requires Sable to maintain a Management of Change protocol to document any procedural modifications and "ensure that all procedural modifications are incorporated into [Sable's] operations and maintenance procedures manual."

e. Self-Reported Minor Spills and Santa Barbara County Air Pollution Control District ("SBAPCD") Notices (SYU)

The December Draft Findings also point to a pair of minor, self-reported non-hydrocarbon spills and to a handful SBAPCD notices of violation, likewise post-dating the Applications and likewise relating to minor, self-reported issues. (December Draft Findings, pp. 6-8.) None of these support a finding against the Applicants, either.

First, the December Draft Findings cite to a small spill of 280 gallons of hydrochloric acid, which Applicants self-reported to the California Office of Emergency Services on August 6, 2025 ("CalOES"). (December Draft Findings, p. 7; *see also* EDC Comment Letter, p. 22.) County staff, however, cherry pick from the report, failing to mention not only that Sable promptly self-reported the minor spill, but also that the spill itself was promptly addressed and the spilled material "was isolated to the ground only, with any nearby storm drains being blocked off before any material could enter. No additional surfaces or waterways were impacted. The release was controlled, and a cleanup crew was being equipped with proper PPE to conduct cleanup." (CalOES Aug. 6, 2025 Spill Report, attached hereto as Ex. 9.) In addition, the Santa Barbara Fire Department was notified, inspected the site, and discussed the remediation plan. The Fire Department agreed with the proposed cleanup plan before the Applicants began remediation efforts. That Sable quickly cleaned up a minor spill and reported it promptly to the responsible agency demonstrates Sable's compliance with all applicable codes, not non-compliance.

The December Draft Findings also point to a release of anaerobic biosolid sludge material, which Applicants similarly self-reported to CalOES on August 27, 2025. (December Draft Findings, p. 8; CalOES Aug. 27, 2025 Spill Report, attached hereto as Ex. 10.) Again, County staff ignore that the report states that: "Most of the released material remained in a containment area; with some of the material going beyond the containment area and impacted some gravel. No waterways or storm drains were affected. The release has been stopped. The crews are on sight [sic] using backhoes and other equipment to clean up the material" and that "there were no injuries in this incident." (*Ibid.*) Subsequent tests confirmed that no harm to the environment took place and no toxic materials were released.[19] Thus, both of these spills were minor, isolated events that were promptly contained and addressed, resulting in no material impacts to health, safety or the environment, and Sable followed the proper reporting protocol in promptly self-reporting each event. In fact, the Applicants' responses to these incidents demonstrate that they are responsible operators that promptly communicate with regulators, which serves as evidence *in favor* of the Operator Capability finding.

The December Draft Findings and Appellants also point to four self-reported SBAPCD notices of violation issued between July and September 2025 to argue that the Applicants fail to comply with applicable laws. (December Draft Findings, p. 6; *see also* EDC Oct. 31, 2025 Comment Letter, p. 22; *see id*., Attachment R.) However, the December Draft Findings and Appellants ignore that these notices not only post-date the application completeness date, but that

[19] *See* Waste Management Material Profile – Anaerobic Filter Release (September 8, 2025), attached as Ex. 24. Waste Management confirmed that the material disposed of at the McKittrick Facility was non-hazardous.

they were self-reported, that Applicants worked quickly to address them, and that none of them resulted in material health, safety, or environmental impacts. Moreover, SBAPCD has not required any further action following Sable's self-report of the incidents. As such, these notices do not undermine the Planning Commission's determination that the Applicants meet the requirements of the Operator Capability finding.

First, County staff points to a July 15, 2025 notice related to failure to operate a vapor recovery compressor for the Las Flores Canyon Facility. (December Draft Findings, p. 6.) .) This was a minor technical incident that occurred during start-up of the crude storage tank blanket gas system: the vapor recovery compressors overheated during the transition from nitrogen to blanket gas causing both vapor recover compressors to go offline temporarily. This incident was self-reported out of an abundance of caution; however, the relevant compliance plan stipulates that the provisions requiring continuous operation of a vapor recovery compressor do not apply during "start-up." This incident did not result in the release of any emissions to the atmosphere, and SBAPCD has not required any additional action following the report.

Second, staff cites a July 15, 2025 notice related to failure to operate the flare pilot system flame at all times when combustible gases are being vented for the Las Flores Canyon Facility. (December Draft Findings, p. 6.) The pilots were extinguished due to elevated nitrogen content due to check valve issue associated with starting up a blanket gas system on the Anaerobic Filters. No combustible gas were being vented at the time when the pilots were extinguished. This was a minor infraction notice as the estimated emissions were 0.52 lbs ROC (readily oxidizable organic carbon), and again, was self-reported. SBAPCD has not required any additional action following the report.

Third, staff cites an August 18, 2025 notice related to failure to operate a Waste Gas Incinerator Continuous Emissions Monitoring System for SO_2. (December Draft Findings, p. 6.) On June 25, 2025, the SO_2 analyzer on the waste gas incinerator failed its daily calibration due to issues with the sample collection system. Applicants promptly filed a breakdown report with the agency, and subsequently applied for a variance, which was granted on July 10, 2025. The cause of the incident was identified and remedied, and the analyzer resumed proper functioning. This violation resulted in no excess emissions.

Finally, although not discussed in the December Draft Findings, Appellants point to a September 25, 2025, notice for "failing to monitor sulfur content of fuel gas" in a Central Process Heater. (EDC Oct. 31, 2025 Comment Letter, p. 22.) As a threshold matter, this notice was self-reported. Moreover, stating that the Applicants "fail[ed] to monitor" sulfur content of fuel gas mischaracterizes the facts. Rather this incident involved an isolated occurrence where specific tracking documentation was not completed in accordance with Sable's policies. Thus, the Applicants self-reported the incident. In response, the Applicants increased training related to SBAPCD permitting requirements and policies to ensure that documentation is completed as needed. There were no excess emissions related to this notice.

These four notices of violation for minor self-reported issues that were quickly addressed do not demonstrate that the Applicants fail to meet the requirements of the Operator Capability finding. In fact, across the time period identified by County staff and Appellants, SBAPCD notices

were commonplace among a wide array of Santa Barbara County operators—reflecting the agency's extensive data collection and the stringency of its regulations rather than any isolated pattern of misconduct by the Applicants. Businesses and public entities that also received multiple notices within the relevant timeframe included the County of Santa Barbara, the City of Santa Maria, the Montecito Water District, Figueroa Mountain Brewing, the Home Depot, Space Exploration Technologies, and Phillips 66 Pipeline LLC. (*See* EDC Oct. 31, 2025 Comment Letter, Attachments R and S [SBAPCD NOV Reports for June 2025 through September 2025].)

Thus, contrary to the December Draft Findings and Appellants' arguments, these minor, self-reported incidents have no bearing on the Planning Commission's determination that the Operator Capability finding has been met and are not a basis for a contrary finding.

f. Hunterbrook Article and Unofficial Transcript

The December Draft Findings cite to an October 31, 2025, online article published by a website operated by Hunterbrook Media LLC (the "Hunterbrook Article") along with an unofficial transcript of an audio recording of the call discussed in the Hunterbrook Article. The December Draft Findings wrongly assert that the Hunterbrook Article and the transcript are evidence of "Sable's Contempt for California's Environmental Regulations and Regulators." (December Draft Findings, p. 9.)

However, the Hunterbrook Article is not the type of information that Chapter 25B authorizes the Board to consider as it is not relevant to whether the operator is able to comply with the FDPs, County codes, and compliance plans, and is not relevant to the Operator Capability finding. Chapter 25B does not authorize the Board to consider press articles related to an operator, nor do the allegations relate in any way to Applicants' ability to operate the Facilities consistent with the permits and the County codes. Rather, the Board may only consider "relevant records of compliance" or "corrective actions taken subsequent to any major incidents…" (County Code § 25B-10(a)(9).) Even if the Board were permitted to consider the Hunterbrook article under Chapter 25B, which it is not, the article contains mere allegations, none of which have been confirmed by regulators or a court, and which are subject to an investigation by a Special Committee of the Company's Board of Directors.

Likewise, the audio recording of the call discussed in the Hunterbrook Article and the County's unofficial transcript of that recording do not demonstrate that Sable is not capable of operating the Facilities in compliance with the FDPs, the County codes, and compliance plans. The specific statements that the County points to from the call recording do not suggest that Sable intends to violate any federal, state, or local environmental law.

g. Other Issues Raised by Appellants

The following section addresses additional issues raised by the Appellants, which are not relied upon in the Draft December Findings. Regardless, Appellants' arguments are misplaced and do not support a conclusion contrary to the Planning Commission's affirmative finding on Operator Capability.

(1) April 11, 2025 Planning and Development Notice

Appellants assert that the Board should not make the Operator Capability finding due to an April 11, 2025 Notice of Determination of Fine issued by County Planning & Development Staff due to alleged non-compliance with a requirement that construction "activities be limited to the period between 7 a.m. and 7 p.m." (EDC October 31, 2025 Comment Letter, p. 23.) The notice at issue related to a legally required hydrotest of the Pipeline, which required air compressors to run continuously during the test. Regardless, this notice post-dates the application completeness date of July 30, 2024 and thus should not be considered. Further, an isolated instance of work performed outside of a construction hours limitation does not demonstrate *systemic* safety deficiencies or operational compliance issues with respect to the FDPs, the County code, or the Compliance Plans. (*See* County Code § 25B-10(a)(9) ("[t]hese records shall be used to provide sufficient assurance that the proposed operator does not reflect a record of non-compliant or unsafe operations *systemic in nature* for similar facilities to those being considered for operatorship." [Emphasis added].) Thus, this isolated incident has no bearing on the Operator Capability finding.

(2) Communications Related to OSFM October 22, 2025 Letter re State Waiver Requirements

Appellants also claim that the Board should not make the Operator Capability finding due to an October 22, 2025, letter issued by the OSFM to Sable. (EDC Oct. 31, 2025 Comment Letter, 20-21, and Attachment O.) As a threshold matter, this letter post-dates the application completeness date of July 30, 2024 and thus should not be considered. Regardless, as discussed above, operator capability falls within PHMSA's exclusive jurisdiction, and therefore the County is preempted from considering operator capability with respect to the Pipeline. (Section II.A.3, *supra*.) As such, the October 22, 2025, OSFM letter has no bearing on the County's inquiry under Chapter 25B. Most importantly, the October 22, 2025 OSFM letter does not allege any violation of law or safety deficiency, and the Applicants continue to coordinate with PHMSA to ensure that the Pipeline meets all applicable requirements. Because the October 22, 2025 OSFM letter does not demonstrate any systemic safety deficiencies or operational compliance issues with respect to the FDPs, the County code, or the compliance plans, it has no bearing on the Operator Capability finding.

(3) Other Agencies: CalGEM, California State Parks

Appellants cite several other irrelevant communications from California state agencies that have no bearing on the inquiry required by Chapter 25B's Operator Capability finding. For example, Appellants cite an out-of-context quote from correspondence between Applicant's counsel and California State Parks ("State Parks") regarding "areas outside of the [P]ipeline easement" that were allegedly "traversed and damaged." (EDC Oct. 31, 2025 Comment Letter, p. 22 and Attachment Q.) This communication related to negotiations between State Parks and the Applicants related to real property agreements and did not involve any alleged noncompliance with environmental, safety, or other legal requirements. The letter has no bearing on the Operator Capability finding.

Appellants also cite a May 9, 2025 letter from the California Department of Conservation Geologic Energy Management Division ("CalGEM") to Applicants in which CalGEM asserts jurisdiction to impose certain bonding requirements and to review certain existing plans with respect to the Las Flores Canyon Facilities. (*Id.*, p. 24, and Attachment W.) Applicants dispute that CalGEM has authority to impose such requirements, and communications with CalGEM are ongoing. CalGEM had not issued any notices of violation, nor has it initiated any enforcement action against the Applicants.

(4) Comments Regarding Applicant's Finances

Appellants' latest comment letters raise arguments related to Applicants' financial reports, which do not have any bearing on the County's inquiry under the Chapter 25B Operator Capability finding. (*See* EDC Dec. 2. 2025 Comment Letter, pp. 2-5; CBD Dec. 2. 2025 Comment Letter, pp. 2-3.) Contrary to Appellants primary argument, the term "resources" under the Operator Capability finding cannot reasonably be read to refer to "financial resources" sufficient to remediate a spill, because a different section of the same "operator" section, "Financial Guarantees," already states exactly what "insurance, bonds, or other instruments or methods of financial responsibility" are required to become an operator. (County Code § 25B-10(b)(2).) As detailed in Sections III.A.1 and III.B.1, *infra*, Applicants have met this requirement. The Chapter 25B findings do not require or permit the County to conduct a generalized review of Applicants' finances. (*See* Applicant Letter to Board of Supervisors re Response to Appeals of Planning Commission Approval of Change of Owner, Guarantor, and Operator for the Santa Ynez Unit, Pacific Offshore Pipeline Company Gas Plant, and Las Flores Pipeline System (February 21, 2025), pp. 12-15; October 2025 Applicant Letter, pp. 9-10, 18-23.) As such, Appellants' arguments are without merit.

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As demonstrated above, the Applicants meet the requirements of the Operator Capability, and the arguments raised by the December Draft Findings and Appellants are irrelevant, fall outside what the Board may properly consider under Chapter 25B, and involve concerns that are outside of the County's jurisdiction.

Because the overwhelming evidence demonstrates that the Applicants do, in fact, meet the requirements of the Operator Capability finding, the Board must reject the December Draft Findings and instead affirm the Planning Commission's decision to approve the Change of Operator applications for all three Facilities. Any finding to the contrary would contravene Chapter 25B and the federal court's order.

III. THE TRANSFERS MEET ALL REQUIREMENTS AND MUST BE APPROVED

The County's inquiry when determining whether to approve or deny a Change of Owner, Operator, or Guarantor is limited to determining conformity with County-imposed requirements under Chapter 25B and further limited by the preemption doctrines outlined in the October 2025 Applicant Letter. Chapter 25B imposes a total of nine requirements that overlap for guarantor (one requirement), owner (five requirements), and operator (nine requirements). Each of the nine

requirements is ministerial, requiring the Planning Commission to apply "fixed standards" to determine "objective" facts, such as whether fees have been paid or documents provided, or whether Sable is in conformity with various County requirements. (*Health First v. March Joint Powers Authority* (2009) 174 Cal.App.4th 1135, 1143.) Upon making the findings, Chapter 25B mandates that "the planning commission ***shall*** approve the change" of operator, owner, or guarantor. (County Code § 25B-10(b) [emphasis added]; *see also id.*, §§ 25B-9(g); 25B-8(c).) Consistent with this narrow framework, County staff recommended denial of the appeals and approval of the Transfers both at the February 25, 2025, hearing and again at the November 4, 2025, hearing, and the Planning Commission already made each required finding after a six-hour evidentiary hearing on October 30, 2024. (February 2025 Board Letter, p. 1; October 2025 Board Letter, p. 1; Commission Findings.) The federal court's order directs the Board to render a decision grounded solely in Chapter 25B's findings; continued reliance on extra-statutory concerns is impermissible and triggers repeat hearings until the Board makes a decision that complies with the requirements of Chapter 25B. The Transfers do not authorize oil production or the flow of oil through the Pipeline; any future operational activity remains subject to separate state and federal jurisdiction and approvals. Because Chapter 25B directs application of fixed standards to objective facts, approval of the Transfers is a ministerial action not subject to CEQA.

The Applicants have requested a Change of Owner, Guarantor, and Operator for the SYU; a Change of Guarantor and Operator for the POPCO Facilities; and a Change of Guarantor and Operator for the Pipeline. At the October 30, 2024, hearing, the Planning Commission made the required determination with respect to each of Chapter 25B's enumerated findings and approved the Transfers. As County staff has recommended on two separate occasions, each of the Planning Commission's findings should be affirmed. The Board also recognized the narrow scope of its role with respect to Chapter 25B in September 2023, when it denied a substantially similar appeal against the previous Change of Owner, Guarantor, and Operator, of some of the same facilities, under the same County code requirements. (2023 Board Approval, attached as Ex. 11.) The Planning Commission's findings from October 2024, are supported by substantial evidence, as demonstrated below.

The December Draft Findings ***present no evidence*** to argue that the Applicants do not meet the requirement for a Change of Guarantor for all three Facilities, the five requirements for a Change of Owner for the SYU, and eight of the nine requirements for a Change of Operator for the three Facilities. (December Draft Findings, pp. 1-10.) The court has directed the Board in its September 12, 2025 Order to make a decision on the Appeals "in compliance with the requirements of Chapter 25B" and "tethered to factual findings under Chapter 25B-8, 9, and 10." (Order re Cross-Motions for Summary Judgment (Ex. 3), pp. 23-24.) Here, the December Draft Findings include no findings with respect to Chapter 25B-9, and only make one of nine required findings under Chapter 25B-10. As such, approving the December Draft Findings would not satisfy either the requirements of Chapter 25B or the court's order.

The December Draft Findings incorporate by reference the Commission Findings, February 2025 Board Letter, and October 2025 Proposed Findings, and each of these documents, correctly found that the Applicants met the requirements for a Change of Guarantor, Owner, and Operator. (December Draft Findings, p. 1.) While the December Draft Findings argue that the Applicants do not meet the Operator Capability finding, as described in Section II, *supra*, this

argument is not supported by substantial evidence. The record supports each Chapter 25B finding for the Transfers. Once each fixed-standard finding is satisfied on the record, Chapter 25B mandates approval; the Board lacks authority to deny based on considerations the ordinance does not enumerate. (County Code §§ 25B-10(b); 25B-9(g); 25B-8(c).) Accordingly, the Board must affirm the Planning Commission's decision and approve the applications.

However, even if the Board finds that the Applicants do not meet the Operator Capability finding—a finding that would not be supported by substantial evidence and would thus violate both Chapter 25B and the court's order—the Board must approve the applications for a Change of Guarantor for all three Facilities and a Change of Owner for the SYU. The December Draft Findings assert that the Board may deny each of the applications in full on the basis that one finding cannot be made, stating that "[b]ecause each application requires a Change of Operator, and the findings required for a Change of Operator cannot be made, all the applications are denied." (December Proposed Findings, p. 1.) This is incorrect and inconsistent with Chapter 25B.

While the overwhelming evidence demonstrates that each finding has been met for each Facility, including the Operator Capability finding (*see* Section II, *supra*), the Board cannot deny the applications in full if the Board finds that only the Operator Capability finding has not been met. *The Operator Capability finding is limited to an application for a Change of Operator.* (County Code § 25B-10(a)(9).) The Operator Capability finding is not part of the independent applications for Change of Guarantor or Owner. (County Code §§ 25B-9(a)(1)-(5), 25B-9(e)(1).) The Board may not deny the applications for Change of Guarantor or Owner on the basis of a finding that is not a part of the application requirements for a Change of Guarantor or Owner. As described below, the required finding for a Change of Guarantor has been met for all three Facilities (*see* Section III.A, *infra*), and each of the five findings for a Change of Owner have been met for the SYU (*see* Section III.B, *infra*). There is no basis to deny the Transfers in full, and in the very least, the findings for a Change of Guarantor and Owner must be made. Thus, if the Board does not affirm the Planning Commission, the Board must modify the Planning Commission's decision and grant the Change of Owner application for the SYU and grant the Change of Guarantor application for all three Facilities.

A. The Sole Finding for Change of Guarantor is Ministerial and Has been Met

The Applicants are the proposed Guarantor for each of the three Facilities. To approve a Change of Guarantor, the County must make only one finding, the Financial Assurances finding set forth in Chapter 25B-9(e)(1). As detailed below, this finding has been met for each of the three Facilities, meaning that the Board must approve the Transfer for the Change of Guarantor. Further, as explained below, Appellants' arguments related to the Financial Assurances finding are misplaced, including arguments related to abandonment and decommissioning requirements, the scope of the Financial Assurances finding, and the Applicants' insurance policy. The December Draft Findings present no evidence to contravene County staff's prior determination or the Planning Commission's findings that the Applicants meet the requirements for a Change of Guarantor for all three Facilities. (December Draft Findings, pp. 1-10.) The December Draft Findings only address arguments related to the Operator Capability finding, which is limited to the applications for a Change of Operator. (*See* County Code § 25B-10(a)(9).) Therefore, the Board

has not been presented with any alternative evidence or finding for a Change of Guarantor, and must affirm the Planning Commission's decision to approve the Change of Guarantor applications.

1. Applicants Have Met the Financial Assurances Finding (County Code § 25B-9(e)(1))

The Financial Assurances finding for a Change of Guarantor states: "*Financial Guarantees. The proposed guarantor has provided all necessary instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance*." (County Code § 25B-9(e)(1).) This finding is ministerial, requiring no discretion on the part of the County. During the Litigation, the County did not contest that this finding was ministerial and instead only alleged that the Operator Capability finding required the County's discretion. (*See* Excerpts from Aug. 1, 2025, County Response to MSJ attached as Ex. 12, p. 19.)

Under Chapter 25B, the only financial assurances that the County may require are those necessary "to comply with the permit and any county ordinance." (*Ibid.*) Thus, the County is tasked with verifying an objective requirement – that the Applicants have provided the financial assurances required by the FDPs or by the County code. If the FDPs or County ordinance do not already require a specific form of financial assurance, the Board may not impose such a requirement now.

Section 25B-9(e)(1) Has Been Met for the SYU. As detailed in the October 2025 Applicant Letter, the Financial Assurances requirement has been met for the SYU. As the Planning Commission correctly found and as County staff has repeatedly confirmed, all previously required bonds and endowments under the SYU FDP have been satisfied. (Commission Findings, pp. 1-2, 3; February 2025 Board Letter, pp. 4-5, 16; February 2025 Staff Presentation, pp. 6-10, October 2025 Proposed Findings, pp. 1-2, 3.) As County staff explained in the Commission Hearing Staff Report, "Previously required bonds under the FDP permit were limited to post-construction landscaping and revegetation of the site. These bonds were put in place prior to the issuance of the original land use permits, and were released back to Exxon following construction of the SYU. These bonds are considered closed, and no further action is required." (Commission Hearing Staff Report, p. 9; *see also* October 2025 Proposed Findings, p. 2.)

In its October 2025 comment letter, EDC asserts that the Financial Assurances finding requires Sable to "demonstrate[] that it has the financial capacity to remediate a worst-case spill from its facilities," stating that this is required by SYU Permit Condition XI-2.w. (EDC Oct. 31, 2025 Letter, p. 6.) However, EDC fails to identify any form of financial assurance required by Condition XI-2.w that Applicants have not already provided. Specifically, Condition XI-2.w requires that the permit holder provide the County with "copies of its Certificates of Financial Responsibility related to its offshore Santa Barbara operations." (Draft SYU FDP Conditions of Approval, p. 45 [emphasis added].) County staff has repeatedly confirmed that Applicants have complied with this condition, noting that Applicants have submitted their California Department of Fish and Wildlife Office of Spill Prevention and Response ("OSPR")-issued Certificates of Financial Responsibility ("COFRs"), dated October 3, 2024, for its offshore Santa Barbara operations. (Commission Hearing Staff Report, pp. 11-12; February 2025 Board Letter, p. 4;

Proposed October Findings, p. 2.)[20] As County Staff has repeatedly explained, the only requirement under Chapter 25B is that Sable produce an OSPR-issued COFR for the SYU, which it has done – the "County cannot require financial documents where not already required." (February 2025 Board Letter, p. 4; February 2025 Staff Presentation, p. 7; *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 5), pp. 95-96.)

The Planning Commission further correctly found that the only other County-imposed financial obligations contained in the SYU FDP would only be triggered upon the permanent closure of the Facilities. (Commission Findings, pp. 1, 3; February 2025 Staff Presentation, p. 10.) As the SYU has not permanently closed, the Planning Commission correctly determined that the requirements of this finding have been satisfied for the SYU. (*Ibid.*)

Appellants have not identified a single requirement imposed by "the permit" or any "county ordinance" that has not been met. Contrary to Appellants' assertions, neither Chapter 25B nor the SYU FDP require the Applicants to post a decommissioning or abandonment bond prior to the permanent shut down of the Facilities. (EDC Oct. 31, 2025 Letter, pp. 6-7; CBD Oct. 29, 2025 Letter, p. 17.) The SYU FDP condition related to abandonment provides that the permit holder's abandonment obligations arise only after the County reviews the permits at a "duly noticed public hearing" and issues a "determination" that "facility abandonment or facility modifications are appropriate." (SYU FDP, Condition XIX-1.) The SYU has not been permanently shut down, nor has the County made any abandonment determination. County staff confirmed this in the February 2025 Board Letter, noting that "[d]ecommissioning bonds were not required to be posted as part of the original project approvals, and no decommissioning bonds have been required to date." (February 2025 Board Letter, p. 5; February 2025 Staff Presentation, p. 8.)

County staff's understanding of these FDP conditions is consistent not only with the language of the FDPs, but also with their history: Appellants can point to no instance with any other transfer of these permits in which the Planning Commission required any prior owner/operator to post decommissioning bonds. It would be arbitrary and inequitable to suddenly interpret Chapter 25B's language in a manner that conflicts with the County's consistent interpretation of the same FDP language since 1988. Departing from the County's uniform,

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[20] The County's jurisdiction extends only to reviewing *whether* these COFRs have been provided; review respecting their *sufficiency* is preempted, as detailed in the October 2025 Applicant Letter. OSPR is vested with exclusive authority to set and enforce evidence-of-financial responsibility requirements for oil spill response. (Gov. Code §§ 8670.4, 8670.5, 8670.37.51, 8670.37.53, 8670.37.54.) These statutes establish a comprehensive regime for COFRs, leaving no room for local governments to impose additional or different requirements. Thus, the County is preempted from requiring additional or alternative evidence of financial responsibility.

OSPR has certified that the Applicants have sufficient financial resources to cover the costs of response for any "worst-case scenario" spill. (Commission Hearing Staff Report , p. 11.) The Applicants have also met OSPR's requirements by demonstrating financial responsibility of up to $101 million—the maximum statutory amount—for each of the three Facilities.[20] (*Id.*)

existing practice—without any change in applicable law or permit language—would be arbitrary and constitute unequal treatment of similarly situated permit transfers. (*See Organized Village of Kake v. U.S. Dept. of Agriculture* (9th Cir. 2015) 795 F.3d 956, 966 ["'Unexplained inconsistency' between agency actions is 'a reason for holding an interpretation to be an arbitrary and capricious change.'" citing *Nat'l Cable & Telecomms. Ass'n. v. Brand X internet Servs.* (2005) 545 U.S. 967, 981]; *see also Motor Vehicle Manufacturers Association of the United States, Inc. v. State Farm Mutual Automobile Insurance Company* (1983) 463 U.S. 29, 33-34 [failure to "present an adequate basis and explanation" for change in agency policy is arbitrary and capricious].)

Appellants' arguments also ignore that the County code *already* obligates Sable to be financially responsible for proper abandonment of the Facilities at the time of abandonment, and does not impose any bonding requirements in connection with that requirement. (County Code § 25B-4(i)(1).) Additionally, under Chapter 25B, not only is the current operator and owner liable, but the County also has the authority to hold the immediately preceding owner or operator responsible for the cost of abandonment should the current owner or operator be unable to fully cover the costs. (County Code § 25B-4(i).)[21]

Thus, the Financial Assurances finding has been satisfied for the SYU, and there is no basis to support a contrary finding.

Section 25B-9(e)(1) Has Been Met for the POPCO Facilities. As detailed in the October 2025 Applicant Letter, the Financial Assurances requirement has been met for the POPCO Facilities. As the Planning Commission correctly found and as County staff has repeatedly confirmed, there are no outstanding bonds required for the POPCO Facilities. (Commission Findings, pp. 6-7; February 2025 Board Letter, pp. 4-5; February 2025 Staff Presentation, pp. 6-10, October 2025 Proposed Findings, pp. 7-8.) Further, County staff has confirmed that "[n]either the POPCO Gas Plant nor the Las Flores Pipeline System permits have conditions that require the permittee to submit financial responsibility documents." (February 2025 Board Letter, p. 4.)

Contrary to Appellants' assertions, neither Chapter 25B nor the POPCO Facilities FDP require the Applicants to post a decommissioning bond prior to the permanent shut down of the Facilities. (EDC Oct. 31, 2025 Letter, pp. 6-7; CBD Oct. 29, 2025 Letter, p. 17.) The condition requiring such a bond for the POPCO Facilities clearly states that the requirement will be triggered "immediately following permanent shut down of the facilities." (POPCO Facilities FDP, Condition Q-2.) County staff addressed this issue directly in the Commission Hearing Staff Report by stating that "FDP Permit Condition Q-2 requires the permittee to be responsible for the proper abandonment of the facility, and that a performance bond or other security device be in place *immediately following permanent shutdown of the facility*." (Commission Hearing Staff Report, p. 26 [emphasis added]; *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 5), pp 35-36.) As noted above, departing from the County's uniform, existing practice with respect to the

[21] Should remediation be required, federal law requires Sable to cover the costs associated with restoration and clean-up activities. (*See* 42 U.S.C. § 9607(a).)

decommissioning obligations—without any change in applicable law or permit language—would be arbitrary and amount to unequal treatment of similarly situated permit transfers.

Thus, the Financial Assurances finding has been satisfied for the POPCO Facilities and there is no basis to support a contrary finding.

Section 25B-9(e)(1) Has Been Met for the Pipeline. As detailed in the October 2025 Applicant Letter, the Financial Assurances requirement has been met for the Pipeline. As the Planning Commission correctly found and as County staff has repeatedly confirmed, there are no outstanding bonds required for the Pipeline. (Commission Findings, p. 9; February 2025 Board Letter, pp. 3-5; February 2025 Staff Presentation, pp. 6-10, October 2025 Proposed Findings, p. 12.) Further, County staff has confirmed that "[n]either the POPCO Gas Plant nor the Las Flores Pipeline System permits have conditions that require the permittee to submit financial responsibility documents." (February 2025 Board Letter, p. 4.) County staff also confirmed that, outside of the County 25B process, and for information only, the Applicants provided copies of the OSPR-issued COFRs for the Pipeline in October 2024, demonstrating that Applicants have complied with OSPR's financial responsibility requirements. (*Id.* at 5.)

Contrary to Appellants' assertions, neither Chapter 25B nor the Pipeline FDP require the Applicants to post a decommissioning bond prior to the permanent shut down of the Facilities. (EDC Oct. 31, 2025 Letter, pp. 6-7; CBD Oct. 29, 2025 Letter, p. 17.) The Abandonment condition for the Pipeline FDP states that its requirements will be triggered "immediately following permanent shut down of the pipeline." (Pipeline FDP, Condition O-1.) County staff has correctly stated this condition applies "following the permanent shutdown of the facilities." (February 2025 Board Letter, p. 5.) Following the shutdown of the Pipeline, the permittee must "either post a performance bond or continue to pay property taxes until site restoration is complete." (February 2025 Board Letter, p. 5.) Thus, County staff has correctly indicated that "[a] decommissioning bond is not yet required to be submitted to the County as the facility has not been permanently shut-down." (October 2025 Proposed Findings p. 12.) As noted above, departing from the County's uniform, existing practice with respect to the decommissioning obligations—without any change in applicable law or permit language—would be arbitrary and constitute unequal treatment of similarly situated permit transfers.

Thus, the Financial Assurances finding has been satisfied for the Pipeline and there is no basis to support a contrary finding. The December Draft Findings identify no evidence or conclusions to the contrary.

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Chapter 25B requires that the County "shall approve an application to modify a permit . . . for a change of guarantor" once the Financial Assurances finding is satisfied. (County Code § 25B-9(e).) As the only requirement for Change of Guarantor is satisfied with respect to all three Facilities, the Planning Commission's October 2024 findings must be affirmed, as twice recommended by County staff, and the County must approve the Transfer to the Applicant as Guarantor for all three permits.

a. The Legislative History Demonstrates That The County May Not Require Greater or Different Financial Assurances Than Those In The Text of Chapter 25B.

Appellants' arguments that the County may require some greater or different assurances for Change in Guarantor—beyond those necessary "to comply with the permit or any county ordinance"—are contrary to Chapter 25B and to the County's—and specifically this Board's—longstanding application of Chapter 25B's financial assurance review requirements, the Planning Commission's findings on the Transfers, and the legislative history of Chapter 25B. Appellants' reliance on early staff drafts and a never-adopted financial responsibility ordinance is misplaced; the County specifically considered but declined to adopt a broader ordinance, and enacted Chapter 25B with deliberately narrow language regarding financial responsibility.

Specifically, a 2001 staff report to the Planning Commissioners regarding a proposed draft of the Chapter 25B Change of Owner, Operator, and Guarantor ordinance (the "2001 Staff Report") clarifies that the additional and undefined financial assurances that Appellants seek are not within the scope of Chapter 25B's financial responsibility requirements. In the 2001 Staff Report, County staff provided responses to comments received on the proposed Change of Owner, Operator, and Guarantor ordinance. In response to specific industry concerns that the proposed ordinance would impose unknown or unspecified financial responsibility requirements, the 2001 Staff Report clarified that Chapter 25B's financial responsibility requirements do not include requirements that are not specified in the permits or the County code. The 2001 Staff Report specifically states that "neither the Financial Guarantees nor the Abandonment findings [. . .] impose any unspecified financial requirements. ***The findings simply require that financial responsibility and abandonment provisions in permits and ordinances are adhered to***." (2001 Staff Report attached as Ex. 13, p. 17 [emphasis added].)

Likewise, in discussing the proposed permit modifications provision, the 2001 Staff Report clarified that "[t]his language ***would not open permits up for negotiation of financial responsibility***, except in cases where a permit already contains the basis for doing so." (*Id.* at 18 [emphasis added].) This history confirms that it is beyond the Board's authority to impose financial requirements not specifically authorized by Chapter 25B.

b. Insurance was Offered; Not Required

Not only did the Applicants produce their COFRs, in an effort to promote transparency and foster a good working relationship with the County, but the Applicants also provided additional evidence of the Applicant's substantial insurance coverage for the Facilities, including liability coverage in excess of $700 million (which includes sudden and accidental pollution coverage), offshore property damage coverage of $1.23 billion, and onshore property damage coverage of $1.3 billion. (Commission Findings, pp. 9-10; Commission Hearing Staff Report, pp. 24-25; February 2025 Board Letter, pp. 5-6; February 2025 Staff Presentation, p. 9; October 2025 Staff Report, p. 3 ["On October 3, 2025, Sable increased their liability insurance covering an upset condition for all assets to $700M."].) At the November 4, 2025 Board hearing, in response to renewed questions from the Chair, Sable again offered to facilitate an in-camera review of the policies with County Counsel and its insurance broker—consistent with confidentiality and beyond

any Chapter 25B requirement. (Excerpts of November 4, 2025, Board Hearing Transcript ("November 2025 Board Hearing Transcript") attached as Ex. 14, pp. 7, 16, 23.) Sable also arranged discussions between Staff and County Counsel and its broker, *Id.* at 16, and provided updated certificates reflecting increased limits, *Id.* at 17, while maintaining policy confidentiality consistent with industry practice and County law.

In the Litigation, the County admitted that County staff confirmed that "Sable's Certificate of Liability Insurance 'demonstrates $401 million dollars in liability insurance for all of Sable's assets . . . to cover oil spills, seepage, and pollution, as well as general liability coverage, auto liability, and workers compensation coverage.'" (Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 5), pp. 30-31.) The Applicants have worked with the County in good faith to provide supplemental documents and information to aid in County staff's review of the Transfers, even when these materials were not required to demonstrate consistency with the requirements of Chapter 25B. (*See* February 2025 Board Letter, p. 6 ["Outside of the 25B Permit Amendment process and for information-only, Sable provided the County with copies of their Certificate of Property Insurance and their Certificate of Liability Insurance for the SYU offshore operations"]; February 2025 Staff Presentation, p. 9; *see also* October 2025 Staff Report, p. 3.)

The CBD Appellants argue that Sable's voluntarily-provided insurance certificates are inadequate and that the Planning Commission erred in relying upon them. (CBD Appeal, p. 5.) CBD Appellants mischaracterize the Commission Findings, as the Findings do not mention or rely upon the insurance certificates the Applicants voluntarily provided. (Commission Findings, pp. 2, 4, 6-7, 9-10.) As such, the CBD Appellants' claims are incorrect.

The EDC Appellants also wrongly assert that "disclosure of [Sable's] insurance policy is necessary prior to making any finding of adequate financial guarantees." (EDC Oct. 31, 2025 Comment Letter, pp. 30-31.) However, Appellants have not identified any provision in Chapter 25B that requires an applicant to provide a copy of its insurance policy. According to County code section 25B-6 (application requirements), the requirements for a Change of Owner, Operator, or Guarantor do not include submitting an insurance policy. County staff determined that Applicants met these requirements when the applications were deemed complete in July 2024. (*See* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 5.), p. 10 ["undisputed" that County staff determined the applications were complete on July 30, 2024].)

Thus, there is no basis to conclude that Chapter 25B's Financial Assurances findings have not been satisfied. The Board should affirm the Planning Commission's Financial Assurances findings, which are consistent with the requirements of Chapter 25B, the explicit language of the FDPs, and the legislative history of Chapter 25B, affirming that all necessary financial assurances have been provided by the Applicants.

B. The Findings For Change of Owner are Ministerial and Have been Met

The Applicants have requested a Change of Owner with respect to the SYU FDP. A Change of Owner is not required for the Pipeline or POPCO Facilities because ownership of those

assets has not changed. To approve a Change of Owner, the County must make five findings: Fees and Exactions (§ 25B-9(a)(1)), Financial Assurances (§ 25B-9(a)(2)), Acceptance of Permit (§ 25B-9(a)(3)), Facility Safety Audit (§ 25B-9(a)(4)), Compliance with Permits (§ 25B-9(a)(5)). Each of these findings are ministerial given that they involve the application of "fixed standards or objective measurements," leaving little to no room for subjective judgment. (*Health First*, 174 Cal.App.4th at 1143; *see also Sierra Club v. County. of Sonoma* (2017) 11 Cal.App.5th 11, 22.)

For the SYU, these findings have been met, meaning that the Board must approve the Transfer for the Change of Owner for this Facility. (County Code §§ 25B-9(g).) The December Draft Findings do not present any evidence to dispute County staff's prior determination or the Planning Commission's findings that the Applicants meet the requirements for a Change of Owner for the SYU. (December Draft Findings, pp. 1-10.) The December Draft Findings only address arguments related to the Operator Capability finding, which is limited to the applications for a Change of Operator. (*See* County Code § 25B-10(a)(9).) The December Draft Findings incorporate by reference the Commission Findings, February 2025 Board Letter, and October 2025 Proposed Findings, and in these documents, County staff and the Planning Commission correctly concluded that the Applicants met the requirements for a Change of Owner for the SYU. (December Draft Findings, p. 1; Commission Findings, pp. 1-3; February 2025 Board Letter, p. 16; October 2025 Proposed Findings, pp. 1-3.) The Board must find the same and affirm the Planning Commission's decision to approve the Change of Owner application for the SYU. In addition, neither Appellants nor the Supervisors have raised any objection to the Fees and Exactions and Facility Safety Audit findings, which are thus uncontested. The following sections respond to Appellants' arguments related to the Financial Assurances, Acceptance of Permit, and Compliance with Permits findings to demonstrate that none of these arguments identify a permissible basis for denying these findings. Thus, the Board must affirm the Planning Commission's decision to approve the Change of Ownership for the SYU.

1. Applicants Have Met the Fees and Exactions Finding (County Code § 25B-9(a)(1))

For a Change of Owner, the Fees and Exactions finding states "*Fees and Exactions. All outstanding county required fees and exactions due for the facility have been paid*." (County Code §§ 25B-9(a)(1).) This finding is ministerial, as it merely requires the County to verify that the fees and exactions have been paid, which involves the application of "fixed standards or objective measurements" leaving little to no room for subjective judgment. (*Health First*, 174 Cal.App.4th at 1143.) During the Litigation, the County did not contest that this finding was ministerial and instead only argued that the Operator Capability finding involved discretion. (*See* Excerpts from Aug. 1, 2025, County Response to MSJ (Ex. 12), p. 19.)

At the November 4, 2025 hearing, Staff reaffirmed that no unpaid County fees or exactions remain for the SYU. (October 2025 Proposed Findings, p. 1; October 2025 Staff Presentation, p. 7; *see* November 2025 Board Hearing Transcript (Ex. 14), p. 5.)

Appellants have not contested this finding. (*See*, *e.g.*, EDC Appeal, p. 3; EDC Comment Letter (February 21, 2025); EDC Comment Letter (October 31, 2025); EDC February Presentation; EDC October Presentation; CBD Appeal; CBD Comment Letter (February 18,

2025); CBD Comment Letter (October 29, 2025); CBD February Presentation; CBD October Presentation.) As detailed in the October 2025 Applicant Letter, this requirement is ministerial and has been met for the SYU. (Ex. 2 (October 2025 Applicant Letter), pp. 10-11.) In addition, the December Draft Findings present no evidence to contradict staff's prior determination that this requirement has been met. (December Draft Findings, pp. 1-10.) Thus, there is no dispute that this finding has been met for the SYU.

2. Applicants Have Provided All Necessary Financial Assurances (County Code § 25B-9(a)(2))

The Financial Assurances finding for a Change of Owner states: "Financial Guarantees. *All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance* ***have been updated, if necessary, to reflect the new owner(s) and will remain in full effect following the ownership change***." (County Code § 25B-9(a)(2) [emphasis added].)[22] This finding is similar to the Financial Assurances finding for the Change of Guarantor, except that it focuses more narrowly on whether the required financial assurances "*have been updated*, if necessary, to reflect the new owner(s) and will remain in full effect following the ownership change." This finding is ministerial, requiring no discretion on the part of the County. During the Litigation, the County did not contest that this finding was ministerial, instead focusing solely on the Operator Capability finding as an alleged discretionary finding. (*See* Excerpts from Aug. 1, 2025, County Response to MSJ (Ex. 12), p. 19.) The December Draft Findings also present no evidence to contradict the Planning Commission's and staff's earlier determinations that this finding is satisfied, confirming that this requirement has been met for the SYU. (December Draft Findings, pp. 1-10.)

As detailed in Section III.A.1, *supra*, this finding has been met because there are no outstanding bonds or endowments required under the SYU FDP, and the Applicant has provided updated COFRs which will remain in effect. (Commission Findings, pp. 2, 7; February 2025 Staff Presentation, pp. 6, 8, 10; October 2025 Proposed Findings, pp. 1-2; October 2025 Staff Presentation, p. 7.) As such, at the November 4, 2025 hearing, Staff reiterated that the instruments required by permit and ordinance had been provided and, where applicable, updated to reflect Sable as owner. (October 2025 Proposed Findings, pp. 1-2; October 2025 Staff Presentation, pp. 7-8; *see* November 2025 Board Hearing Transcript (Ex. 14), p. 5.) Requiring instruments beyond those specified by the SYU FDP and County code—when the Board did not do so in prior transfers, including the 2023 approval—would be an unexplained departure from longstanding practice and constitute unequal treatment of similarly situated permit transfers. Accordingly, there is no basis to support a contrary finding under § 25B-9(a)(2).

Moreover, as discussed in Section III.A.1, *supra*, and in the October 2025 Applicant Letter, OSPR has exclusive jurisdiction over spill financial responsibility. (*See* October 2025 Applicant Letter at 9–10 (citing Gov. Code §§ 8670.37.51, 8670.37.53, 8670.37.54).) The Legislature's

[22] Section 25B-9(a)(2) does not require disclosure of full insurance policies; it asks whether County-approved instruments necessary to comply with the permit/ordinance have been updated to reflect the new owner. Spill financial responsibility remains governed by OSPR, and pipeline safety/insurance specifications by PHMSA and the State Fire Marshal.

mandatory language and the statute's detailed scheme confirm that the field is fully occupied, leaving no room for local regulation. (*See Chevron v. County of Monterey* (2023) 15 Cal.5th 135,145 [holding state oil and gas statute with mandatory language preempted a county's regulation in same area].) Thus, the County is preempted from requiring additional or alternative evidence of financial responsibility.

As confirmed by both the Planning Commission and County staff, this ministerial Financial Assurances finding has been met for the SYU.

3. Applicants have Accepted All Permit Obligations (County Code § 25B-9(a)(3))

The Acceptance of Permit finding states: "*Acceptance of Permit. The proposed owner has provided a letter from a responsible official representing the proposed owner formally accepting all, conditions and requirements of the permit*." (County Code § 25B-9(a)(3).) This finding is also a fixed-standard, ministerial finding that the Applicants have met. During the Litigation, the County did not contest that this finding was ministerial, and the December Draft Findings present no evidence to dispute the earlier determinations that this finding has been met. (*See* Excerpts from Aug. 1, 2025, County Response to MSJ (Ex. 12), p. 19; December Draft Findings, pp. 1-10.)

The Planning Commission found, and County staff twice confirmed, that the requirements of this finding were satisfied for the SYU, as reflected in Staff's consistency tables and presentation. (Commission Findings, p. 2; February 2025 Board Letter, p. 16; February 2025 Staff Presentation at 6; October 2025 Proposed Findings, p. 2; October 2025 Staff Presentation, p. 7.) The Applicants provided the County with a signed Agreement to Comply with Conditions of Approval for SYU dated March 14, 2024, accepting all conditions and requirements of the FDP. (Agreements to Comply with Conditions of Approval (Mar. 14, 2024), attached as Ex. 15.)

The CBD Appellants' October 29, 2025 submission argues that Applicants' exploration of a potential Offshore Storage and Treating Vessel ("OS&T") strategy precludes this finding because the SYU FDP states the permittee "shall not use, permit others to use, or transfer the OS&T for further oil and gas processing in California Coastal Waters offshore Santa Barbara, Ventura, and San Luis Obispo Counties." That argument fails for multiple reasons: (i) acceptance is a formal, present commitment to comply with existing permit conditions, which Sable has made (Agreements to Comply with Conditions of Approval (Mar. 14, 2024), attached as Ex. 15.); (ii) no OS&T operation is before the Board in this proceeding, and speculation about future projects cannot defeat a ministerial acceptance finding; and (iii) any future proposal would be reviewed under the applicable permits and jurisdictions at that time. The Board must therefore make the acceptance finding based on the record letter of acceptance. (County Code § 25B-9(a)(3); Agreements to Comply with Conditions of Approval (Mar. 14, 2024), attached as Ex. 15.) Additionally, arguments regarding the proposed OS&T post-date the July 30, 2025 application-completeness date and should not be considered in connection with the Transfers. Therefore, because the Applicants properly provided the requisite letter of acceptance, this requirement has been met for the SYU.

4. Applicants Have Provided a Copy of Safety Audit (County Code § 25B-9(a)(4))

The Facility Safety Audit finding for Change of Owner states: "*Facility Safety Audit. The current owner or operator has provided a copy of the most recent county-conducted comprehensive safety audit of the physical facility, along with a description of the status of implementing its recommendations, to the new or proposed new owner(s). A safety inspection maintenance and quality assurance program (SIMQAP) audit approved by the appropriate county official shall satisfy this requirement*." (County Code § 25B-9(a)(4).)

This is a ministerial document-delivery and status confirmation requirement requiring no discretion on the part of the County. During the Litigation, the County did not contest that this finding was ministerial, instead focusing solely on the Operator Capability finding as an alleged discretionary finding. (*See* Excerpts from Aug. 1, 2025, County Response to MSJ (Ex. 12), p. 19.) In addition, the December Draft Findings present no evidence to contravene earlier determinations that this requirement has been met, thereby confirming that the Planning Commission correctly determined that this finding was satisfied and that copies of the necessary audit information had been provided by ExxonMobil to Sable as the new owner. (Commission Findings, p. 2; February 2025 Board Letter, p. 16; February 2025 Staff Presentation at 6; October 2025 Proposed Findings, pp. 2-3; October 2025 Staff Presentation, p. 7; December Draft Findings, pp. 1-10.)

For the SYU, the Planning Commission determined that the County's Systems Safety & Reliability Review Committee had deferred annual audits until the flow of oil through the Pipeline resumed. (Commission Findings, p. 2.) Still, the County's Systems Safety & Reliability Review Committee conducted a safety audit of the Santa Ynez Unit on February 26-27, 2025. (October 2025 Proposed Findings, pp. 2-3.) The Applicants have addressed all Safety, Inspection, Maintenance and Quality Assurance Program ("SIMQAP") items required prior to allowing the flow of oil and are "actively working on the remainder." (*Id*.) At the November 4, 2025 hearing, Staff incorporated this audit history into its consistency analysis for the Board's de novo review, as reflected in Staff's consistency table and presentation. (October 2025 Proposed Findings, pp. 2-3; October 2025 Staff Presentation, p. 7; *see* November 2025 Board Hearing Transcript (Ex. 14), p. 5.) Thus, the Facility Safety Audit finding has been met for the SYU.

5. Applicants Fully Comply with Existing Permit Requirements (County Code § 25B-9(a)(5))

To make this finding, the County must determine that, *"[a]s of the date that the application is deemed complete*, the current owner(s) are in compliance with all requirements of the permit." (County Code §§ 25B-9(a)(5) [emphasis added].) In accordance with Chapter 25B, the Board must consider only the information related to permit compliance available on the date the applications were deemed complete: July 30, 2024. (County Code § 25B-9(a)(5); *see also* Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 5.), p. 10 ["undisputed" that County staff determined the applications were complete on July 30, 2024].) The Appeals, like the original applications, are evaluated as of the date the applications were deemed complete. (*See* County Code §§ 25B-12(b)(2) ["The appellant shall state specifically in the appeal how [] the planning

commission's decision is inconsistent with the provisions . . . of [Chapter 25B]. . ."]; 25B-9(a)(5).) This is a fixed-standard, ministerial finding, which does not leave room for subjective judgment. During the Litigation, the County did not contest that this finding was ministerial. (*See* Excerpts from Aug. 1, 2025, County Response to MSJ (Ex. 12), p. 19.) Moreover, the December Draft Findings present no evidence to contradict the determinations made by staff and the Planning Commission that this finding was satisfied, confirming that this requirement has been met. (December Draft Findings, pp. 1-10.)

For the SYU, the sole Facility requesting a Change of Owner, this requirement has been met. The County determined that the application was complete on July 30, 2024. The Planning Commission correctly determined, and February 2025 Staff Presentation confirm, that this requirement was satisfied, as the owner/operator "is in compliance with all requirements of the FDP" and "[n]o notices of violation had been issued" for the SYU by the County as of July 30, 2024. (Commission Findings, p. 3; February 2025 Staff Presentation, p. 6.) At the November 4, 2025 hearing, Staff reiterated that the compliance finding for the SYU is assessed as of the completeness date and identified no County NOVs for the SYU as of that date. (October 2025 Proposed Findings, p. 3; October 2025 Staff Presentation, p. 7; *see* November 2025 Board Hearing Transcript (Ex. 14), p. 5.) No appellant has identified any County NOV or permit noncompliance for the SYU as of July 30, 2024. As confirmed by the Planning Commission and County staff, this finding's requirements have been satisfied.

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Under the court's order, any decision for a Change of Owner must rest on substantial evidence tied to §§ 25B-9(a)(1)–(5). Because each fixed-standard finding for a Change of Owner is met on the record, Chapter 25B mandates approval of the SYU ownership transfer.

C. The Findings for Change of Operator are Ministerial and Have been Met

Applicants have also satisfied each of the requirements for Change of Operator. Applicants are the proposed Operator for each of the three Facilities. To approve a Change of Operator, the County must make nine findings: Fees and Exactions (§ 25B-10(a)(1)), Financial Assurances (§ 25B-10(a)(2)), Acceptance of Permit (§ 25B-10(a)(3)), Facility Safety Audit (§ 25B-10(a)(4)), Compliance with Permits (§ 25B-10(a)(5)), Compliance Plans (§ 25B-10(a)(6)), Transitional Plan (§ 25B-10(a)(7)), Emergency Response Drills (§ 25B-10(a)(8)), Operator Capability (§ 25B-10(a)(9)). For each of the three Facilities, these findings have been met and the Board must approve the Transfer for the Change of Operator. (County Code § 25B-10(b).)

As with the other findings, County Code § 25B-10(b) does not authorize ad hoc conditions or extra-jurisdictional prerequisites; inserting new conditions would exceed Chapter 25B's ministerial scope. Any denial must identify a specific Section 25B-10(a) finding and be supported by substantial evidence that the fixed standard for that finding is not satisfied as of the July 30, 2024 application completeness date.

As described above, the December Draft Findings present evidence to dispute only one finding required for a Change of Operator: the Operator Capability finding. (County Code § 25B-

10(a)(9); December Draft Findings, pp. 1-10.) County staff present no evidence to contradict the prior determinations made by staff or the findings made by the Planning Commission that Applicants meet the eight other requirements for a Change of Operator for all three Facilities. (County Code §§ 25B-10(a)(1)-(8).) The December Draft Findings incorporate by reference the Commission Findings, February 2025 Board Letter, and October 2025 Proposed Findings, and in these documents, County staff and the Planning Commission correctly found that the Applicants met the requirements for a Change of Operator for the three Facilities. (December Draft Findings, p. 1; Commission Findings, pp. 3-6, 7-9, 10-13; February 2025 Board Letter, p. 16; October 2025 Proposed Findings, pp. 3-7, 8-16.)

The following sections respond to Appellants' arguments related to the Operator findings, five of which overlap with the Owner findings detailed in Section III.B, *supra*, with respect to the SYU. Four of the findings—the Fees and Exactions, Facility Safety Audit, Compliance Plans, and Emergency Response Drills findings— have not been contested by the County or Appellants. While Appellants contest the Financial Assurances, Acceptance of Permit, Compliance with Permits, Compliance Plans, and Operator Capability Findings, they fail to identify any permissible basis supporting their denial, and the December Draft Findings present no evidence to contravene County staff's and the Planning Commission's prior determinations that the Applicants meet the requirements of the Financial Assurances, Acceptance of Permit, Compliance with Permits, and Compliance Plans findings.

Regarding the Operator Capability finding, County staff has determined on at least three separate occasions that the Applicants meet this requirement for all three Facilities. (Commission Findings, pp. 5-6, 9, 12-13; February 2025 Board Letter, pp. 10-11, 16; February 2025 Staff Presentation, pp. 6, 13-14; October 2025 Proposed Findings, pp. 6-7, 11, 15-16; October 2025 Staff Presentation, pp. 7-8.) However, at the November 4, 2025, Board hearing, the Board directed staff to ignore the record and "return with findings to approve the appeal and deny the change of owner, operator, and guarantor" in order to support the Board's decision. (November Board Hearing Transcript, p. 70.) Thus, even though staff had made the same recommendation time and time again that the Applicants meet the Operator Capability finding – a recommendation supported by substantial evidence – in response to this explicit direction from the Board, County staff argued for the first time that the Operator Capability finding cannot be made. As described in Section II, *supra*, however, the findings in the December Draft Findings are not supported by substantial evidence. Absent any evidence for the December Draft Findings, and because the Applicants do meet all nine requirements for each of the Facilities, this Board must affirm the Planning Commission's decision to approve the Change of Operator applications for all three Facilities.

1. Applicants Have Met the Fees and Exactions Finding for Each Facility (County Code § 25B-10(a)(1))

For a Change of Operator, the Fees and Exactions finding states: "*Fees and Exactions. All outstanding county required fees and exactions due for the facility have been paid.*" (County Code § 25B-10(a)(1).) For all three Facilities, it is undisputed that this requirement has been met. (*See*, *e.g.*, EDC Appeal, p. 3-5; EDC Comment Letter (February 21, 2025); EDC Comment Letter (October 31, 2025); EDC February Presentation; EDC October Presentation; CBD Appeal; CBD Comment Letter (February 18, 2025); CBD Comment Letter (October 29, 2025); CBD February

Presentation; CBD October Presentation.) As explained in Section III.B.1, *supra*, this finding is ministerial, which the County has not contested in the Litigation. The December Draft Findings present no evidence to contradict the determinations made by staff and the Planning Commission that this finding was satisfied, confirming that this requirement has been met for all three Facilities. (December Draft Findings, pp. 1-10.)

Section 25B-10(a)(1) Has Been Met for the SYU. This finding has been met for the SYU, as detailed in Section III.B.1, *supra*, discussing the identical Fees and Exactions finding for the SYU Change of Owner.

Section 25B-10(a)(1) Has Been Met for the POPCO Facilities. As detailed in the October 2025 Applicant Letter, this requirement has been met for the POPCO Facilities. As the Planning Commission correctly found, and as County staff confirmed in the February 2025 Board Letter and Staff Presentation, "the requirements of this finding are satisfied" and there are "no outstanding payments" due for the POPCO Facilities. (Commission Findings, p. 7; February 2025 Board Letter, p. 16; February 2025 Staff Presentation, p. 6; October 2025 Proposed Findings, p. 8; October 2025 Staff Presentation, p. 7.) Planning staff consulted with other County staff to confirm that no outstanding payments are due and that there were no related planning or compliance cases requiring fees or exactions that have not yet been paid. (Commission Findings, p. 7; October 2025 Proposed Findings, p. 8.) Thus, this requirement has been met for the POPCO Facilities.

Section 25B-10(a)(1) Has Been Met for the Pipeline. As detailed in the October 2025 Applicant Letter, this requirement has been met for the Pipeline. As the Planning Commission correctly found, and as County staff confirmed in the February 2025 Board Letter and Staff Presentation, "the requirements of this finding are satisfied" and there are "no outstanding payments" due for the Pipeline. (Commission Findings, pp. 10; February 2025 Board Letter, p. 16; February 2025 Staff Presentation, p. 6; October 2025 Proposed Findings, pp. 12; October 2025 Staff Presentation, p. 7.) Planning staff consulted with other County staff to confirm that no outstanding payments are due and that there were no related planning or compliance cases requiring fees or exactions that have not yet been paid. (*Id.*) Thus, this requirement has been met for the Pipeline.

2. Applicants Have Provided All Necessary Financial Assurances (County Code § 25B-10(a)(2))

The Financial Assurances finding for Change of Operator states: "*Financial Guarantees. All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance have been updated, if necessary, to reflect the new operator and will remain in full effect following the operator change.*" (County Code § 25B-10(a)(2).) This finding is similar to the Financial Assurances finding for Change of Guarantor discussed in Section III.A.1, *supra,* except that it merely requires the County to verify that the prior financial assurances have been "updated, if necessary" to reflect the new operator and that they will remain in full effect. As this provision requires only that the documentation has been updated, it is a ministerial, fixed-standard finding. The December Draft Findings present no evidence to contravene earlier determinations that this

requirement has been satisfied, confirming that the Applicants have met this finding for all three Facilities. (December Draft Findings, pp. 1-10.)

Section 25B-10(a)(2) Has Been Met for the SYU. As detailed in Sections III.A.1and III.B.2, *supra*, the Financial Assurances finding has been met for the SYU. The Planning Commission rightly confirmed that the requirements of this finding had been met for the SYU, referring to its analysis of the Financial Assurances finding for the SYU Change of Owner. (Commission Findings, pp. 3-4.)

Section 25B-10(a)(2) Has Been Met for the POPCO Facilities. As detailed in Sections III.A.1 and III.B.2 , *supra*, the Financial Assurances finding for Change of Operator has been met for the POPCO Facilities. The Planning Commission rightly confirmed that the requirements of this finding had been met for the POPCO Facilities, referring to its analysis of the Financial Assurances finding for the POPCO Facilities Change of Guarantor. (Commission Findings, p. 7.)

Section 25B-10(a)(2) Has Been Met for the Pipeline. As detailed in Sections III.A.1 and III.B.2, *supra*, the Financial Assurances finding has been met for the Pipeline. The Planning Commission rightly confirmed that the requirements of this finding had been met for the Pipeline, referring to its analysis of the Financial Assurances finding for the Pipeline Change of Guarantor. (Commission Findings, p. 10.)

3. Applicants Have Accepted All Permit Obligations (County Code § 25B-10(a)(3))

The Acceptance of Permit finding states: "*Acceptance of Permit. The proposed operator has provided a letter from a responsible official representing the proposed operator formally accepting all conditions and requirements of the permit*." (County Code § 25B-10(a)(3).) As explained in Section III.B.3, *supra,* this finding is ministerial, which the County has not contested in the Litigation, and the December Draft Findings present no evidence to dispute the Planning Commission's and County staff's determinations that this finding has been met. (December Draft Findings, pp. 1-10.)

Section 25B-10(a)(3) Has Been Met for the SYU. This finding has been met for the SYU, as detailed in Section III.B.3, *supra*, discussing the identical Acceptance of Permit finding for the SYU Change of Owner.

Section 25B-10(a)(3) Has Been Met for the POPCO Facilities. Appellants do not dispute that this finding has been met for the POPCO Facilities. As detailed in the October 2025 Applicant Letter, (Ex. 2, p. 12), this finding was satisfied when the Applicants provided the Agreement to Comply with Conditions of Approval for POPCO Facilities. (Agreements to Comply with Conditions of Approval (Mar. 14, 2024), attached as Ex. 15.)

Section 25B-10(a)(3) Has Been Met for the Pipeline. Appellants do not dispute that this finding has been met for the Pipeline. As detailed in the October 2025 Applicant Letter, (Ex. 2, p. 12), this finding was satisfied when the Applicants provided the Agreement to Comply with

Conditions of Approval for the Pipeline. (Agreements to Comply with Conditions of Approval (Mar. 14, 2024), attached as Ex. 15.)

4. Applicants Have Provided Copies of Safety Audits for Each Facility (County Code § 25B-10(a)(4))

The Facility Safety Audit finding for Change of Operator states: "*Facility Safety Audit. The current owner or operator has provided a copy of the most recent county-conducted comprehensive safety audit of the physical facility, along with a description of the status of implementing its recommendations, to the proposed new operator. A safety inspection maintenance and quality assurance plan audit approved by the appropriate county official shall satisfy this requirement.*" (County Code § 25B-10(a)(4).) As explained in Section III.B.4, *supra,* this finding is ministerial, which the County has not contested in the Litigation. Further, this finding the December Draft Findings present no evidence to dispute the earlier determinations that this requirement has been satisfied, confirming that the requirement has been satisfied for all three Facilities. (December Draft Findings, pp. 1-10.)

Section 25B-10(a)(4) Has Been Met for the SYU. This finding is identical to the Facility Safety Audit finding for Change of Owner discussed with respect to the SYU in Section II.B.4, *supra*. Accordingly, it is satisfied for the reasons described in that section.

Section 25B-10(a)(4) Has Been Met for the POPCO Facilities. This finding has been met with respect to the POPCO Facilities. County staff and the Planning Commission correctly determined that this finding had been satisfied and that copies of the necessary audit information had been provided by ExxonMobil to Sable as the new operator. (Commission Findings, pp. 7-8; February 2025 Board Letter, p. 16; February 2025 Staff Presentation at 6; October 2025 Proposed Findings, pp. 8-9; October 2025 Staff Presentation, p. 7.) Related to the SYU and the POPCO Facilities, the Planning Commission determined that the County's Systems Safety & Reliability Review Committee had deferred annual audits until the flow of oil through the Pipeline resumed. (Commission Findings, p. 2.) While the POPCO Facilities' annual SIMQAP audits are still deferred, the County's Systems Safety & Reliability Review Committee conducted a safety audit of the SYU on February 26-27, 2025. (October 2025 Proposed Findings, pp. 2-4, 9.) The Applicants have addressed all SIMQAP items required prior to allowing the flow of oil and are "actively working on the remainder." (*Id*.)

Section 25B-10(a)(4) Has Been Met for the Pipeline. Related to the Pipeline, the Planning Commission correctly found that the Celeron Settlement "determined that the County does not have the jurisdiction to regulate any aspect of the design, construction, or operation of the pipeline." (Commission Findings, p. 11.) While no County-conducted safety audits are required for the Pipeline, safety audit information from PHMSA and California Office of the State Fire Marshal ("OSFM") safety audits from 2018 to 2023 were provided to the County and Applicants. (*Id.*) As such, both the Planning Commission and staff have already determined that this requirement has been met with respect to the Pipeline. (Commission Findings, pp. 10-11; October 2025 Proposed Findings, p. 13.)

Thus, Applicants have met this finding for all three Facilities.

5. Applicants Fully Comply with Existing Permit Requirements (County Code § 25B-10(a)(5))

The Compliance with Existing Permit Requirements finding for a Change of Operator states: "*Compliance With Existing Requirements. As of the date that the application is deemed complete, the current operator is in compliance with all requirements of the permit, including any requirements of a county-required safety audit, any notice of violation, and any county ordinance, or the owner and proposed operator have entered into a written agreement with the director that specifies an enforceable schedule to come into compliance with such requirements*." (County Code § 25B-10(a)(5).) As explained in Section III.B.5, *supra*, this finding is ministerial, which the County has not contested in the Litigation.

Consistent with § 25B-10(a)(5), the operator compliance finding is assessed as of the July 30, 2024 completeness date. Post-completeness developments or external controversies cannot negate this ministerial finding. Appellants have not identified any County NOV for the Facilities as of July 30, 2024. In addition, the December Draft Findings present no evidence to contravene earlier determinations that this finding has been satisfied, confirming that this requirement has been met for all three Facilities. (December Draft Findings, pp. 1-10.)

Section 25B-10(a)(5) Has Been Met for the SYU. This finding is identical to the Compliance with Existing Permit Requirements finding for Change of Owner discussed with respect to the SYU in Section III.B.5, *supra*. Accordingly, this finding is satisfied for the reasons described in that section.

Section 25B-10(a)(5) Has Been Met for the POPCO Facilities. As discussed in the October 2025 Applicant Letter, this finding has been met for the POPCO Facilities. (October 2025 Applicant Letter (Ex. 2), pp. 12-13.) Appellants have not provided any evidence to the contrary.

Section 25B-10(a)(5) Has Been Met for the Pipeline. As discussed in the October 2025 Applicant Letter, this finding has been met for the Pipeline. (*Ibid.*) Appellants' arguments to the contrary are incorrect. EDC Appellants claim that the Applicants are out of compliance with the Pipeline FDP because additional cathodic protection is purportedly required. (EDC Oct. 31, 2025 Comment Letter, pp. 7, 33-35.) However, any inquiry regarding the cathodic protection installed at the Pipeline is beyond the scope of the County's authority. As recognized in the Celeron Settlement, the County has "***no authority over the design, construction and operation***" of the Pipeline. (Celeron Settlement (Ex. 4), Sec. 2.2 [emphasis added].) As discussed in Section II.A.3 above, exclusive authority over interstate pipeline safety is vested in the PHMSA.[23] The HLPSA expressly preempts any state or local attempt to impose additional or different safety standards on interstate pipelines. (49 U.S.C. § 60104(c); 49 C.F.R. § 195 app. A (2024).) As a result, the

[23] As discussed in note 7, *supra*, on November 26, 2025, Sable notified the PHMSA of its determination that its pipeline connecting the Santa Ynez Unit to the Pentland Station terminal in Kern County, CA constitutes an interstate pipeline facility under the Pipeline Safety Act. Sable requested PHMSA concurrence with its determination, as well as guidance on the orderly transition of regulatory oversight from the California Office of the State Fire Marshal to PHMSA. (*See* Sable Offshore Corp., Dec. 1, 2025 Form 8-K (Ex. 6).)

County is preempted from imposing safety-related requirements on the Pipeline, including the installation of specific equipment. (*See Sneddon v. Torch Energy Servs.* (2002) 102 Cal.App.4th 181, 187 [HLPSA preempts local regulation of pipeline safety]; *Olympic Pipe Line Co. v. City of Seattle* (9th Cir. 2006) 437 F.3d 872, 880 [invalidating local safety conditions as preempted].)

Appellants are also wrong because there is no requirement for cathodic protection in the Pipeline FDP. The EDC Appellants cite Condition A-7, but that condition makes no mention of cathodic protections or any specific equipment. The requirement claimed by the EDC Appellants simply does not exist. Indeed, this Board found as much two years ago, when hearing the substantively identical appeal related to the transfer of the Pipeline between Plains Pipeline L.P. to PPC as owner and EMPCo as operator. (2023 Board Approval (Ex. 11).) At that time, the Board found that the Pipeline was in compliance with all existing requirements, ***including Condition A-7.*** (*Id.*, p. 3.) There have been no material changes with respect to cathodic protection on the Pipeline since the Board made that finding, and thus there is no lawful basis to revisit it.

In any event, the EDC Appellants are wrong on the facts. Cathodic protection has been maintained and inspected on the Pipeline in accordance with all applicable pipeline safety regulations, as overseen until recently by OSFM.[24] The EDC Appellants' opinion regarding the efficacy and appropriateness of the cathodic protection maintained pursuant to oversight by other agencies is not a basis for determining noncompliance with the County's FDP conditions.

Thus, Appellants' arguments related to cathodic protection do not demonstrate that the Applicants are not in compliance with existing permit requirements. The Planning Commission correctly found that the prior owner/operator was in compliance with existing requirements. Consistent with this Board's prior 2023 determination related to the Pipeline, and the Planning Commission's October 2024 findings, this Board should again hold the same.

6. Applicants have Properly Updated Contact Information on All Required Compliance Plans (County Code § 25B-10(a)(6))

The Compliance Plans finding for a Change of Operator states: "*Compliance Plans. The current owner and proposed operator have updated, where applicable, any existing, approved safety inspection maintenance and quality assurance program, emergency response plan, fire protection plan, and oil spill contingency plan, or equivalent approved plans, with current emergency contact information pertaining to the new operator. The current owner and proposed operator have agreed in writing to revise all other plans required by the permit or any county ordinance, as necessary to reflect the change of operator, and to do so with sufficient diligence to obtain approval of the revised plans by the appropriate county official within six months after assuming operations.*" (County Code § 25B-10(a)(6).) This finding is a ministerial, fixed-standard finding requiring updated emergency contact information; it does not require County review of the substance or approval status of non-County plans, which are governed by OSPR and other agencies. During the Litigation, the County did not contest that this finding was ministerial, instead focusing solely on the Operator Capability finding as an alleged discretionary finding. (*See* Excerpts from Aug. 1, 2025, County Response to MSJ (Ex. 12), p. 19.) As discussed in the October

[24] *See* Sable Offshore Corp. Dec. 1, 2025 Form 8-K (Ex. 6.).

2025 Applicant Letter and confirmed by the December Draft Findings, which presented no evidence to dispute that the Applicants satisfied this finding, this requirement has been met for all three facilities. (October 2025 Applicant Letter (Ex. 2), pp. 13-14; December Draft Findings, pp. 1-10.)

Section 25B-10(a)(6) Has Been Met for the SYU. With respect to the SYU, Sable submitted all major Compliance Plans (e.g., Fire Protection Plan, Emergency Response Plan, etc.), which were reviewed by County staff, the Santa Barbara County Systems Safety & Reliability Review Committee ("SSRRC"), the County Fire Department, and/or P&D Energy Division's consultant, where appropriate. (Commission Hearing Staff Report, pp. 16-17.) A list of submitted compliance plans was provided in the October 2025 Applicant Letter, including the applicable SYU Compliance Plans. (Ex. 2, pp. 13-14.)

Appellants misstate the scope of the County's authority, claiming it is somehow responsible for evaluating the status or content of the Oil Spill Contingency Plan for the SYU. (CBD Appeal, p. 6; EDC Appeal, pp. 3; EDC Appeal, Attachment, pp. 19-20.) But, in fact, the Planning Commission properly made the finding required by the County code, which is limited to determining whether the Applicants have updated the relevant emergency ***contact information***. (County Code § 25B-10(a)(6).) The County is not responsible for verifying the efficacy of these contingency plans or evaluating the Applicants' ability to implement them; that authority is vested in OSPR. (Gov. Code §§ 8670.28, 8670.29.) Appellants further incorrectly assert that the oil spill contingency plans have not yet been approved by various state and federal agencies. This is untrue.[25] Regardless, the status of a plan's approval by another agency or the contents of that plan are irrelevant to the Commission's finding that the contact information has been updated. (County Code § 25B-10(a)(6); *see* February 2025 Board Letter, p. 9 ["Chapter 25B does not require that the updated compliance plans be approved by the Office of Spill Prevention and Response, or by other non-County regulators."]; Excerpts from Aug. 1, 2025 Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 5), pp. 96-97.) The Planning Commission properly rejected Appellants' argument and correctly determined that this finding had been satisfied with respect to the SYU. (Commission Findings, pp. 4-5.)

Section 25B-10(a)(6) Has Been Met for the POPCO Facilities. For the POPCO Facilities, POPCO and Sable have submitted all major Compliance Plans, which are integrated between the two entities. (Commission Hearing Staff Report, p. 25.) A list of compliance plans submitted to the County was provided in the October 2025 Applicant Letter, including the applicable POPCO Facilities Compliance Plans. (Ex. 2, pp. 13-14.) Appellants have not asserted any noncompliance with this requirement for the POPCO Facilities.

[25] The Integrated Contingency Plan was submitted to OSPR on April 9, 2024, and it is considered valid and effective as of submittal pending final approval or denial by OSPR. Over the ensuing months, OSPR has requested, and Sable has provided, various additional information regarding the Plan. On February 19, 2025, OSPR confirmed that it has identified no deficiencies in the Integrated Contingency Plan. On March 26, 2025, OSPR approved the Integrated Contingency Plan. (*See* OSPR March 26, 2025 Approvals, attached hereto as Ex. 16.)

Section 25B-10(a)(6) Has Been Met for the Pipeline. With respect to the Pipeline, PPC and Sable submitted all major Compliance Plans, which, like the SYU, were reviewed by SSRRC, the County Fire Department, and P&D Energy Division's consultant, where appropriate. (Commission Hearing Staff Report,, p. 35.) A list of compliance plans submitted to the County was provided in the October 2025 Applicant Letter, including the applicable Pipeline Compliance Plans. (Ex. 2, pp. 13-14.) Appellants advanced the same erroneous arguments regarding the oil spill contingency plan for the Pipeline as those described above for the SYU. For the same reasons articulated above, the Planning Commission correctly determined that this finding had been met with respect to the Pipeline. The Planning Commission properly rejected Appellants' argument and correctly determined that this finding had been satisfied with respect to the SYU. (Commission Findings, p. 11)

7. Applicants Have Provided Approved Transitional Plans for Each Facility (County Code § 25B-10(a)(7))

The Transitional Plan finding for a Change of Operator states: "*Transitional Plan. The current owner or operator and proposed operator have submitted a transitional plan that will demonstrate the proposed operator shall receive adequate training, including by means of cross training by the current operator, where feasible, and shall have a good working knowledge of the crucial compliance plans listed in Sec. 25B-10.1.f before assuming control of operations. The plan has been approved by the director. The planning commission may exempt the current owner and proposed operator from this requirement, or portions thereof, for good cause*." (County Code § 25B-10(a)(7).)

This is a ministerial, fixed-standard finding which merely requires the County to confirm whether the Applicants have provided the required document. During the Litigation, the County did not contest that this finding was ministerial. (*See* Excerpts from Aug. 1, 2025, County Response to MSJ (Ex. 12), p. 19.) In addition, the December Draft Findings present no evidence to contravene County staff's and the Planning Commission's determinations that this finding has been satisfied, thus confirming that the requirement was met for all three Facilities. (December Draft Findings, pp. 1-10.)

Section 25B-10(a)(7) Has Been Met for the SYU. On October 22, 2024, the Applicants submitted comprehensive Transition Plans for the SYU and POPCO Facilities, dated July 2024, and the Planning Commission correctly determined that this requirement was satisfied for the SYU. (Commission Findings, p. 5; February 2025 Board Letter, p. 16; February 2025 Staff Presentation, p. 6; October 2025 Proposed Findings, pp. 5-6.) Appellants have provided no evidence to the contrary. As such, it is undisputed that this requirement has been met with respect to the SYU.

Section 25B-10(a)(7) Has Been Met for the POPCO Facilities. On October 22, 2024, the Applicants submitted comprehensive Transition Plans for the SYU and POPCO Facilities, dated July 2024, and the Planning Commission correctly determined that this requirement was satisfied for the POPCO Facilities. (Commission Findings, p. 8; February 2025 Board Letter, p. 16; February 2025 Staff Presentation, p. 6; October 2025 Proposed Findings, pp. 10-11; October 2025

Staff Presentation, p. 7.) Appellants have provided no evidence to the contrary. As such, it is undisputed that this requirement has been met with respect to the POPCO Facilities.

Section 25B-10(a)(7) Has Been Met for the Pipeline. On October 22, 2024, the Applicants submitted comprehensive Transition Plans for the Pipeline, dated July 2024, and the Planning Commission correctly determined that this requirement was satisfied. (Commission Findings, p. 12; February 2025 Board Letter, p. 16; February 2025 Staff Presentation, p. 6; October 2025 Proposed Findings, pp. 14-15; October 2025 Staff Presentation, p. 7.) Appellants have provided no evidence to the contrary. As such, it is undisputed that this requirement has been met with respect to the Pipeline.

8. Applicants Have Conducted County-Approved Emergency Response Drills (County Code § 25B-10(a)(8))

The Emergency Response Plans finding for Change of Operator states: "*Emergency Response Plan Drills. The proposed operator has adequately performed one or more county approved emergency response plan drills necessary to respond to emergency episodes that may occur at the facility.*" (County Code § 25B-10(a)(8).)

This is a ministerial, fixed-standard finding which merely requires the County to confirm whether the Applicants have conducted the required drills. During the Litigation, the County did not contest that this finding was ministerial, instead focusing solely on the Operator Capability finding as an alleged discretionary finding. (*See* Excerpts from Aug. 1, 2025, County Response to MSJ (Ex. 12), p. 19.) Moreover, the December Draft Findings presented no evidence to contravene the determination made by County staff and the Planning Commission that this finding has been met, confirming that the Applicants satisfied this requirement for all three Facilities. (December Draft Findings, pp. 1-10.)

Section 25B-10(a)(8) Has Been Met for the SYU. As detailed in the October 2025 Applicant Letter, this ministerial, fixed-standard finding is satisfied for the SYU. (Ex. 2, p. 14.) Appellants have provided no evidence to the contrary. As such, it is undisputed that this requirement has been met with respect to the SYU.

Section 25B-10(a)(8) Has Been Met for the POPCO Facilities. As detailed in the October 2025 Applicant Letter, this ministerial, fixed-standard finding is satisfied for the POPCO Facilities. (Ex. 2, p. 14.) Appellants have provided no evidence to the contrary. As such, it is undisputed that this requirement has been met with respect to the POPCO Facilities.

Section 25B-10(a)(8) Has Been Met for the Pipeline. As detailed in the October 2025 Applicant Letter, this ministerial, fixed-standard finding is satisfied for the Pipeline. (Ex. 2, p. 14.) Appellants have provided no evidence to the contrary. As such, it is undisputed that this requirement has been met with respect to the Pipeline.

9. Applicants Have Fully Satisfied the Operator Capability Finding (County Code § 25B-10(a)(9))

As detailed in Section II.A.3, *supra*, this finding is fully preempted with respect to the Pipeline, and thus the Board's authority is limited to analyzing this finding for the SYU and POPCO Facilities. For both the SYU and POPCO Facilities, the Planning Commission correctly found, and County staff confirmed for three prior proceedings, that the Applicants have the "skills, training, and resources necessary to operate the permitted facilit[ies]." (Commission Findings, pp. 5-6, 9, 12-13; February 2025 Board Letter, pp. 10-11, 16; February 2025 Staff Presentation at 6, 13-14; October 2025 Proposed Findings, pp. 6-7, 11, 15-16; October 2025 Staff Presentation, p. 7.) As described above, the arguments contained in the December Draft Findings wholly lack merit. The Board must affirm the Planning Commission's findings and find that the Applicants meet this requirement for the three Facilities.

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Under the court's order, any decision for a Change of Operator must rest on substantial evidence tied to §§ 25B-10(a)(1)–(9). Because each fixed-standard finding for a Change of Operator is met on the record, including the Operator Capability finding, Chapter 25B mandates approval of the Change of Operator for all three Facilities.

IV. OTHER APPELLANT ARGUMENTS LACK MERIT AND CANNOT SERVE AS BASIS FOR DENIAL

Under Chapter 25B, the County's authority is limited and narrow. It evaluates the applications as of the completeness date, confirms the requirements of the findings have been met (one for guarantor, five for owner, and nine for operator), and transfers the permits. This process is ministerial and mandatory; the County does not have authority to go beyond the four corners of Chapter 25B to find other bases to deny a transfer. Despite the Board's clear mandate, Appellants have raised several other arguments outside of the scope of Chapter 25B – none of which are addressed in the December Draft Findings. Applicants discussed these arguments extensively in the October 2025 Applicant Letter and do not repeat them here, other than to affirm that each of these arguments lack merit.

First, Appellants' threshold contention that the County must reopen or replace the existing FDPs is incorrect. (*See* October 2025 Applicant Letter (Ex. 2), pp. 17-18.) Chapter 25B governs administrative permit *transfers*; it does not reopen the underlying permits or insertion of new, non-codified conditions. The 2001 Staff Report confirms that transfers do not "open permits up for negotiation," absent an express provision in the permit itself—which is not present here. The County and this Board have applied that framework consistently, including in 2023 for substantially similar transfers.

Second, the Planning Commission's process conformed to the County code and afforded full procedural fairness. (*See* October 2025 Applicant Letter (Ex. 2), pp. 26-27.) County staff deemed the applications complete as of July 30, 2024, compiled consistency tables, and recommended approval for Commission and—twice—for the Board's de novo review. The

Commission provided notice, conducted an evidentiary hearing with extensive public comment, and adopted findings tied to Chapter 25B's fixed standards. Appellants' process critiques—whether framed as alleged evidentiary gaps or fairness concerns—are unfounded.

Finally, CEQA does not apply. (*See* October 2025 Applicant Letter (Ex. 2), pp. 27-28.) Approval of a Chapter 25B transfer is an administrative act that applies fixed standards to existing permits and authorizes no physical change to the environment; it is therefore not a "project." The County has already recognized as much in prior proceedings, including the 2023 transfer, and County staff has repeatedly advised the Board the same in this matter. Appellants' attempts to convert the Transfers into an environmental review are inconsistent with CEQA and County precedent.

V. JUSTIFICATIONS CITED BY THE SUPERVISORS IN OPPOSITION TO THE TRANSFERS ARE IMMATERIAL AND OUTSIDE THE SCOPE OF CHAPTER 25B

The only justifications cited by the Supervisors at the November 4, 2025 Board hearing in support of their stated intention to uphold the Appeals are either immaterial or wholly outside the scope of Chapter 25B:

Supervisor Lavagnino. The only finding questioned by Supervisor Lavagnino was the Operator Capability finding. (*See* Excerpts from November Board Hearing Transcript (Ex. 14), pp. 66-68.) Supervisor Lavagnino cited the criminal complaint filed by the County District Attorney related to Pipeline repair dig sites, the civil complaint filed by the state Attorney General related to the same issue, the dispute with the Coastal Commission, a decline in Sable's stock price, the Hunterbrook Article and the "fallout" from the phone call that was the subject of the Hunterbrook Article. (*Id.*, pp. 2, 67.)

None of these matters have any bearing on the Chapter 25B Operator Capability inquiry, which tasks the County with reviewing the "relevant records of compliance and corrective actions taken subsequent to any major incidents," and with determining whether the operator has the skills, training, and resources necessary to comply with the FDPs, County codes, and specifically identified compliance plans. (County Code § 25B-10(a)(9).) As discussed above, the alleged violations underlying the civil and criminal complaints concern alleged unpermitted movement of dirt in connection with legally required Pipeline repairs. (Section II.A.4.b, *supra*.) None of the allegations assert any noncompliance with the FDPs, applicable County codes, or the compliance plans. Nor do they relate to safety issues, nor do they allege any discharges of oil, petroleum, or any hazardous substance. (Section II.A.4.b, *supra*.) Similarly, the Coastal Commission dispute has no bearing on the Operator Capability finding for the reasons set forth in detail in Section II.A.4.a, *supra*. Likewise, Sable's stock price on any given day, which is subject to fluctuation, is not relevant to whether the Applicants meet the Operator Capability finding, nor does Chapter 25B permit the Board to consider this information, as it is not a "relevant record[] of compliance [or] corrective action taken subsequent to any major incidents." (County Code § 25B-10(a)(9).)

Finally, as discussed above, the Hunterbrook Article, is not the type of information that Chapter 25B authorizes the Board to consider as it is not relevant to whether the operator is able

to comply with the FDPs, County codes, and compliance plans. Further, the article contains mere allegations, none of which have been confirmed by regulators or a court, and which are subject to an investigation by a Special Committee of the Company's Board of Directors. Regardless, the article is not relevant to the Operator Capability finding. Chapter 25B does not authorize the Board to consider press articles related to an operator, nor do the allegations relate in any way to Applicants' ability to operate the Facilities consistent with the permits and the County codes]. Rather, the Board may only consider "relevant records of compliance" or "corrective action taken subsequent to any major incidents…" (County Code § 25B-10(a)(9).) Further, the Hunterbrook article post-dates the July 30, 2025 application-completeness date, and should also be excluded on that basis.

Supervisor Hartmann. The only concerns identified by Supervisor Hartmann with any specificity were that "an SEC complaint" was likely, that she had read articles about bankruptcies being common in the energy industry, and that she would like to hire a consultant to analyze the insurance policy. (Excerpts from November 2025 Board Hearing Transcript (Ex. 14), p. 68.) Supervisor Hartmann's references to a potential SEC complaint and vague generalized concerns about bankruptcy based on articles are pure speculation and do not constitute evidence, let alone the type of evidence that the Board is authorized to consider under Chapter 25B. Furthermore, as explained above no provision in Chapter 25B authorizes the County to require an applicant to submit their insurance policies. It would be arbitrary and in excess of the Board's jurisdiction to impose such a requirement now, after the County had deemed the applications complete and after Applicants have repeatedly offered to facilitate County staff's review of Applicants' insurance policies. (*Id.*, pp. 7, 23, 59.)

Supervisor Lee. Supervisor Lee stated that he fully agreed with "what Joan and Steve said." (*Id.*, p. 69.) Thus, his vote is unsupported for the same reasons articulated above with respect to Supervisors Hartmann and Lavagnino.

Chair Capps. Chair Capps cited concerns related to "the insurance policy," as well as her concern that Applicants' acquisition of the Facilities was seller-financed. (*Id.*, pp 69-70). She also pointed to "the many violations that have been discussed." (*Id.*, pp. 69-70.) For the same reasons discussed at length above, none of these concerns constitute a permissible basis upon which to determine that the Operator Capability finding, or any other Chapter 25B finding, has not been met. (Sections II.A.4 and III.A.1, *supra*; Commission Findings, pp. 9-10; Commission Hearing Staff Report, pp. 24-25; February 2025 Board Letter, pp. 5-6; February 2025 Staff Presentation, p. 9; October 2025 Staff Report, p. 3; Excerpts from Aug. 1, 2025, Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law (Ex. 5), pp. 30-31.)

Because each fixed-standard operator finding is met on the record as of the completeness date, Chapter 25B mandates approval of the operator transfers. Requiring instruments or disclosures beyond those specified by the permits and County code—when the Board did not do so in prior transfers, including 2023—would be an unexplained departure from longstanding practice and constitute unequal treatment of similarly situated permit transfers. Under the court's order, any operator decision must rest on substantial evidence tied to § 25B-10(a)'s enumerated findings. Speculation, generalized concerns, post-completeness developments, or jurisdictionally

preempted topics cannot substitute for substantial evidence. (*See Buckley*, 68 Cal.App.4th at 192 ["Substantial evidence is not any evidence, but substantial proof of the essentials which the law requires in a given case"].) A contrary operator decision anchored in issues outside § 25B-10(a) would be an error of law and an abuse of discretion under the writ, requiring remand until a decision tethered to Chapter 25B issues.

The Supervisors failed to identify a single permissible basis to support a reversal of the Operator Capability finding. And they identified no basis to reverse any of the required findings for the owner and guarantor Transfers, requiring those Transfers to be affirmed.

VI. THE BOARD VIOLATED APPLICANTS' RIGHT TO A FAIR TRIBUNAL WHEN CHAIR CAPPS AND SUPERVISOR HARTMANN PARTICIPATED

The only procedural unfairness that *has* existed in this case has impacted Applicants, not Appellants. In February 2025, the Board failed to act on the Appeals, resulting in months of delay and litigation to force the County to carry out its obligations under Chapter 25B. Then, when the legally required re-hearing was finally held last month, two members of the Board, Chair Capps and Supervisor Hartmann, improperly refused to recuse themselves.

As explained in Applicants' prior submissions, under both procedural due process and the Political Reform Act, a Board member must recuse where there is an unacceptable probability of actual bias or where it is reasonably foreseeable that the decision will have a material financial effect on the member's real property interests. (*Nasha v. City of Los Angeles* (2004) 125 Cal.App.4th 470, 483-84; Gov. Code § 87100.)

Chair Capps and Supervisor Hartmann both have well-documented bias against Sable, the Transfers, and oil production in the County generally, raising serious concerns about their ability to act as impartial decisionmakers on the Transfers.[26] As detailed further in Applicants' letters of December 3 and October 30, 2025, Supervisor Hartmann also has a disqualifying financial conflict of interest under the Political Reform Act. The FPPC's June 27, 2025 advice relied on inaccurate estimates, provided by the County, that the Pipeline was approximately 900 feet from the parcel

[26] As detailed in Applicant's October 30, 2025 letters calling for the recusal of Chair Capps and Supervisor Hartmann from the November 4 hearing, California law clearly warrants their recusal from the proceedings to ensure the Applicant's right to a fair hearing is maintained. *See Nasha v. City of Los Angeles* (2004) 125 Cal.App.4th 470, 483-484 (commissioner had unacceptable probability of actual bias when they authored article calling project a "threat" and arranged for another member of a community association to speak out against the project, clearly showing the commissioner advocated a position against the project); *Petrovich Development Co., LLC v. City of Sacramento* (2020) 48 Cal.App.5th 963, 975-76 (developer denied fair hearing where city councilmember acted as advocate by engaging in efforts to organize opposition to application, including drafting talking points for opposition); *Clark v. City of Hermosa Beach* (1996) 48 Cal.App.4th 1152, 1173 (permit applicant denied fair hearing where councilmember had personal interest in defeating the condominium project because it would block ocean views from the councilmember's property, and councilmember demonstrated personal animosity against applicants); Minute Order, *Hermosa Fitness, LLC v. City of Hermosa Beach* (Super. Ct. L.A. County, Sept. 24, 2020, No. 18STCP02840), at p. 14 (cross-fit gym denied fair hearing where councilmember helped residents build record against the gym, including actively participating in nuisance case against gym).

edge and 1,040 feet from the residence. A current and accurate November 25, 2025 map shows the closest edge of the parcel is approximately 8 feet from the Pipeline. The FPPC's letter expressly instructs that if the Pipeline is closer than estimated, Supervisor Hartmann should seek additional advice before any further involvement. Consistent with that instruction and the presumption of materiality within 500 feet under 2 CCR 18702.2(a)(7), recusal is required. (December 3, 2025 Applicant Recusal Letter, pp. 1-3.).

Participation by a disqualified decisionmaker in a quasi-judicial hearing taints the proceeding. As detailed in Sable's October 30, 2025 and December 3, 2025 letters, it was improper for both Chair Capps and Supervisor Hartmann to participate in the November 4 vote on the Transfers, and their participation violated Applicants' and ExxonMobil's right to a fair, unbiased tribunal. The Board should vacate the November 4 action, disqualify Chair Capps and Supervisor Hartmann from further participation, and rehear the Appeals with the remaining qualified Supervisors, confined to Chapter 25B's findings as ordered by the federal court.

VII. CONCLUSION

As found by the Planning Commission, confirmed in the February 2025 Board Letter, February 2025 Staff Presentation, and October 2025 Proposed Findings, and further demonstrated in this letter, the Applicants meet all applicable requirements for transfer of the FDPs; therefore, the Appeals should be denied and the Planning Commission's approval of the Transfers upheld. The December Draft Findings do not contest any of these conclusions aside from the Operator Capability finding, which, as demonstrated above, the Applicants have also satisfied. The Applicants have established consistency with the narrow findings, and County staff has repeatedly confirmed that all requirements to approve the Transfers have been met. Any findings to the contrary are in error.

Very truly yours,

Jessica Stebbins Bina
of LATHAM & WATKINS LLP

Enclosures

cc: Steve Rusch, Sable Offshore Corp.

Exhibit Index

Ex. No	Document
1	Santa Barabara Board of Supervisors, Action Summary (November 4, 2025)
2	October 2025 Applicant Letter
3	Order Re Cross-Mot. for Summ. J. at 18, 23, Dkt. No. 52, Sable Offshore Corp., et al. v. County of Santa Barbara, et al. (Case No. 2:25-cv-04165-DMG-AGR) (C.D. CA September 12, 2025),
4	Settlement Agreement between the Celeron Pipeline Company of California and County of Santa Barbara, Feb. 8, 1988
5	Excerpts from Aug. 1, 2025 Memorandum Responding to Petitioner's Statement of Uncontroverted Facts and Proposed Conclusions of Law
6	Sable Offshore Corp., Dec. 1, 2025 Form 8-K
7	County Authorization Letter
8	Excerpts from February 2025 Board Hearing Transcript
9	CalOES Aug. 6, 2025 Spill Report
10	CalOES Aug. 27, 2025 Spill Report
11	2023 Board Approval
12	Excerpts from Aug. 1, 2025, County Response to MSJ
13	2001 Staff Report
14	Excerpts of November 4, 2025, Board Hearing Transcript
15	Agreements to Comply with Conditions of Approval (Mar. 14, 2024),
16	OSPR March 16, 2025 Approvals
17	2024.09.04 Letter from E. Briggs to C. Flores
18	Applicant CDFW Responses
19	Applicant RWQCB Responses
20	RWB Complete Notices of Intent
21	CDFW Final Lake and Streambed Alteration Agreement
22	Regional Water Board Approved NOAs
23	CDFW Complete Notifications of Lake or Streambed Alteration
24	Waste Management Material Profile – Anaerobic Filter Release (September 8, 2025)