

Katherine Douglas

Appellant Supplemental Comments

From: Tara Rengifo <trenrifo@environmentaldefensecenter.org>
Sent: Tuesday, December 2, 2025 2:03 PM
To: sbcob
Cc: Linda Krop; Plowman, Lisa; Rachel Van Mullem
Subject: EDC et al Supplemental Comments Regarding Sable's Change of Owner, Operator, and Guarantor
Attachments: 2025_12_02_Supplemental Comments re Sable 25B transfer w att.pdf

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Dear Clerk of the Board,

Attached please find Supplemental Comments Regarding Sable's Change of Owner, Operator, and Guarantor for the Santa Ynez Unit, POPCO Gas Plant, and Las Flores Pipeline System submitted today by the Environmental Defense Center ("EDC") on behalf of Get Oil Out!, Santa Barbara County Action Network, Sierra Club, by and through the Santa Barbara-Ventura Chapter, Santa Barbara Channelkeeper, and EDC.

Please confirm receipt and inclusion in the record for the December 16 Board of Supervisors hearing on this matter.

Thank you,
Tara



environmental
DEFENSE CENTER

TARA C. RENGIFO (she/her/hers)

SENIOR ATTORNEY

906 Garden Street

Santa Barbara, CA 93101

o: 805.963.1622 x113

www.EnvironmentalDefenseCenter.org



We recognize that EDC sits on occupied, unceded, stolen lands of the Chumash Peoples who have called this area home for time immemorial. We commit today to make space to elevate indigenous voices and support our local Chumash and indigenous communities in our work to protect our environment.

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December 2, 2025

Laura Capps, Chair
County Board of Supervisors
123 East Anapamu Street
Santa Barbara, CA 93101
Via email: sbcob@countyofsb.org

Re: Supplemental Comments Regarding Sable’s Change of Owner, Operator, and Guarantor for the Santa Ynez Unit, POPCO Gas Plant, and Las Flores Pipeline System

Dear Chair Capps and Honorable Supervisors,

On behalf of Get Oil Out! (“GOO!”), Santa Barbara County Action Network (“SBCAN”), Sierra Club, by and through the Santa Barbara-Ventura Chapter (“Sierra Club”), Santa Barbara Channelkeeper (“SBCK”), and the Environmental Defense Center (“EDC”),¹ we submit these supplemental comments on Sable Offshore Corp., Pacific Offshore Pipeline Company (POPCO) and Pacific Pipeline Company’s (PPC) (collectively, “Sable”) Applications for Change in Owner, Operator, and Guarantor of the Santa Ynez Unit (SYU), POPCO Gas Plant, and Las Flores Pipeline System (LFPS) (“Applications”) pursuant to Chapter 25B in the Santa Barbara County (“County”) Code of Ordinances.

¹ GOO! was formed in the wake of the 1969 Santa Barbara Oil Spill and continues to work to protect California from further oil and gas development and exploitation. SBCAN is a countywide grassroots organization that works to promote social and economic justice, to preserve our environmental and agricultural resources, and to create sustainable communities. The Santa Barbara-Ventura Chapter of the Sierra Club serves Santa Barbara and Ventura counties and is dedicated to protecting the wild places of the earth; practicing and promoting the responsible use of the earth’s ecosystems and resources; educating and enlisting humanity to protect and restore the quality of the natural and human environment; and using all lawful means to carry out these objectives. SBCK was founded in 1999, and its mission is to protect and restore the Santa Barbara Channel and its watersheds. EDC is a nonprofit public interest law firm that defends nature and advances environmental justice on California’s Central Coast through advocacy and legal action. After filing this appeal, EDC also entered into retainer agreements with the Sierra Club and SBCK. Both Sierra Club and SBCK, and their respective members, participated throughout the administrative proceedings on Sable’s transfer requests.

The records attached hereto concern recent developments that are directly relevant to the Applications and requisite findings for denial under Chapter 25B, and must be incorporated into the record:

- U.S. Securities and Exchange Commission (SEC), *Form 10-Q, Sable Offshore Corp.* (November 13, 2025), attached hereto as Attachment A (“Form 10-Q”).
- Koppelman, S., *et al.*, Hunterbrook, *Exclusive: Exxon Spinout Sable Leaked Key Info to Investors Including Golfer Phil Mickelson* (October 31, 2025), attached hereto as Attachment B.
- Koppelman, S., *et al.*, Hunterbrook, *Breaking: Sable Is Running Out Of Money* (November 14, 2025), attached hereto as Attachment C.
- Letter from EDC on behalf of GOO!, SBCAN, Sierra Club, SBCK, and EDC, to Lisa Plowman, Director for the County of Santa Barbara Planning and Development Department (October 22, 2025), attached hereto as Attachment D.

In issuing its decision on the Applications, Chapter 25B requires that the Board of Supervisors (“Board”) hold a de novo hearing, provide that evidence be taken at that hearing, and make the requisite findings to support its discretionary decision. Discretion in the determination of the facts is vested in the Board. As the factfinder, the Board’s findings must be supported by substantial evidence, which must include the information attached hereto along with the other substantial evidence supporting denial in the record. *Topanga Assn. for a Scenic Community v. County of Los Angeles* (1974) 11 Cal.3d 506, 514.

I. Substantial Evidence Attached Hereto Further Supports Findings for Denial of Sable’s Applications under Chapter 25B.

Pursuant to Chapter 25B, Sable must demonstrate it “has the skills, training, and resources necessary to operate the permitted facility in compliance with the permit and all applicable county codes...”² Santa Barbara County, County Code (“County Code”) § 25B-10(a)(9). During the November 4 hearing, four Supervisors conceptually determined that the finding of “Operator Capability” cannot be made based on the evidence in the record. Furthermore, Chapter 25B requires a finding regarding all insurance, bonds or other instruments or methods of financial responsibility “necessary to comply with the permit and any county ordinance,” which is also unsupported by the evidence. *See, e.g.*, County Code § 25B-10(a)(2).

The evidence set forth below, in our October 31 letter,³ and elsewhere in the record supports findings for denial of Sable’s Applications.

² Section 25B-10(a)(9) mandates a showing that the proposed operator has the necessary resources to operate safely and in compliance with the permits. County Code § 25B-10(a)(9). Accordingly, per the finding’s plain language, Sable must demonstrate *it* has the resources—including money, insurance, and bonds—to operate in compliance with the permit and County Code. Whether the company has adequate funds and other instruments is central to both the operator capability inquiry as well as the financial guarantees finding.

³ Letter from GOO, SBCAN, Sierra Club, SBCK, and the EDC to the Santa Barbara County Board of Supervisors (October 31, 2025) (hereinafter, “October 31 Letter”).

A. Sable's Most Recent SEC Quarterly Report Provides Substantial Evidence that Sable Lacks Adequate Financial Assurances and Resources, Thus Supporting Denial.

On November 13, Sable filed its quarterly report to the SEC, which is attached hereto as Attachment A. This evidence is directly relevant to the findings for denial of Sable's permit transfers under Chapter 25B. The report demonstrates that Sable lacks the necessary financial assurances and resources to operate in compliance with the County's permit requirements, particularly with regards to properly abandoning the Facilities and remediating after a spill. County Code §§ 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2), and 25B-10(a)(9).

Our October 31 letter to the Board provided a detailed analysis of the specific permit terms related to abandonment and spills with which Sable has failed to demonstrate compliance.⁴ To summarize, the permits, if transferred, would immediately hold Sable financially responsible for abandoning the Facilities regardless of whether restart ever occurs. The disclosures in Sable's Form 10-Q demonstrate that Sable lacks sufficient resources and financial guarantees to properly abandon the Facilities, particularly if the company never generates revenue from operations. This outcome is fully possible since Sable itself acknowledges its ability to restart the Facilities is highly speculative.⁵

The evidence in Sable's Form 10-Q also supports findings for denial on the grounds that Sable lacks sufficient capital to remediate after a spill or accident. The SYU Permit Condition XI-2.w holds the permittee responsible to remediate after a spill and all of the permits establish that Sable would be held liable in the event of a spill or other accident from the Facilities.⁶ As further evidenced by the discussion below, the record lacks substantial evidence to support a finding that Sable is sufficiently capitalized to cleanup and remediate after a spill.

By Sable's own admissions in its Form 10-Q, it has rapid cash burn and massive near-term liabilities with very little cash on hand.⁷ As of September 30, 2025, Sable reported unrestricted cash in the amount of \$41.6 million, a total debt of \$896.6 million, and an accumulated deficit of \$1.0 billion.⁸ Even with the most recent equity raise of \$250 million,⁹ Sable's recent financial disclosure fails to demonstrate that the company has adequate financial resources, particularly to properly abandon the facilities or remediate after a spill. Sable reported it has accounts payable of \$163 million¹⁰ and \$25 million is restricted pursuant to the loan amendment¹¹ such that Sable actually only has around \$62 million in unrestricted cash while spending on average ~\$35 million per month.¹² Moreover, Sable's Form 10-Q admits that its cost

⁴ *Id.*

⁵ Attachment A at 9.

⁶ SYU Permit, Condition XI-2.w ; POPCO Permit, Condition A-12; Las Flores Pipeline Permit, Condition A-12.

⁷ Attachment A at 3, 6.

⁸ *Id.* at 8.

⁹ *Id.* at 35.

¹⁰ *Id.* at 3.

¹¹ *Id.* at 19.

¹² *Id.* at 4. To estimate Sable's monthly spend, their "operations and maintenance expenses" on page 4 were added to the "general and administrative expenses." Over the last 9 months, Sable averaged \$33M/month (\$164M + \$134M / 9 months = \$33M/month). However, over the last 3 months, which is probably more reflective of what Sable is

estimate to reach its first sales could be wrong and actually less than what was anticipated in which case it could have insufficient funds available to operate.¹³

Despite Sable's precarious financial situation, it continues to add to its expenses while still reporting nothing in operating revenue.¹⁴ Sable's Form 10-Q disclosed that the company agreed to pay Exxon an additional \$4 million per month during the term of the "Letter Agreement Regarding Restart Production" entered into on October 14, 2025 ("Letter Agreement").¹⁵ The Letter Agreement was backdated for June 1, 2025; by December 1, Sable will have accumulated an additional ~\$24 million in debt owed to Exxon.¹⁶ This staggering amount of money is in addition to Sable's almost \$1 billion loan from Exxon, which now has an interest rate of 15%.¹⁷ Sable must also reimburse Exxon for expenses related to their litigation against the County per the terms of the Letter Agreement.¹⁸ Sable's Form 10-Q also disclosed that it "expects to continue to incur additional expenses as a result of being an operating public company, including for legal, accounting and compliance expenses."¹⁹

Although the County has neglected its duty to require upfront bonding for abandonment (as required by the permits and County Code),²⁰ ExxonMobil took affirmative steps to protect its interests and mitigate its potential risks. Pursuant to the October 14 fifth amendment to Sable's purchase agreement with ExxonMobil, Sable is required to purchase a \$350 million performance bond with ExxonMobil as the sole beneficiary specifically for "***plug and abandonment financial security***."²¹ The performance bond is due three days prior to the Senior Secured Term Loan maturity and may be raised to \$500 million at ExxonMobil's option.²² This additional information is further evidence of Sable's diminishing financial resources and the need to demand upfront bonding for abandonment; without which, the required findings in sections 25B 9(a)(2), 25B-9(e)(1), and 25B-10(a)(2) are unsatisfied.

Sable's Form 10-Q also estimated at least \$450 million in additional start-up expenses for an offshore storage and treating vessel ("OS&T").²³ This estimate was expressly qualified as "uncertain" because Sable declared it has never "undertaken such actions..."²⁴ Nevertheless, the price tag for the OS&T (which may be woefully underestimated) is another significant expense for a company that is not generating any operating revenue. Sable also recognized that pursuit of

likely currently spending, they averaged \$38M/month ($\$79M + \$36M / 3 \text{ months} = \$38M/\text{month}$). Splitting the difference, that comes out to around \$35M/month.

¹³ *Id.* at 9 ("...if the Company's estimates of the costs to reach first sales are less than the actual amounts necessary to do so, the Company may have insufficient funds available to operate its business prior to first sales and will need to raise additional capital.")

¹⁴ *Id.* at 45.

¹⁵ *Id.* at 35.

¹⁶ *Id.*

¹⁷ *Id.* at 19, 35.

¹⁸ *Id.* at 35.

¹⁹ *Id.* at 45.

²⁰ October 31 Letter at 27-29.

²¹ Attachment A at 35 (emphasis added).

²² *Id.*

²³ *Id.* at 49.

²⁴ *Id.*

this option would likely require additional financing including, but not limited to, private debt securities, bank financing, or a combination thereof.²⁵

The costs and financial risks associated with the OS&T are relevant to findings for denial under Chapter 25B because if the permits were to transfer, Sable would still be responsible for abandoning the onshore facilities even if it pursued an OS&T. The company could be required to abandon the Facilities while facing major additional capital requirements for OS&T, riskier financing options, and still not generating operating revenue. There is no evidence in the record that the company has the financial resources to adhere to the permit terms on abandonment under such a scenario.

Finally, Sable's Form 10-Q includes a going-concern disclosure, meaning there is "substantial doubt [] about the Company's ability to continue...."²⁶ The going-concern statement explains that Sable "has experienced losses from operations and has negative cash flows from operations since inception," which will continue unless it is able to restart.²⁷ The company cites several challenges to restart including a number of outstanding regulatory and legal approvals necessary to implement either the onshore or the OS&T proposals, as well as the "lack of assurance that new financing, or refinancing of the Senior Secured Term Loan, will be available to Sable on commercially acceptable terms, if at all,...."²⁸

For the foregoing reasons, Sable's Form 10-Q provides substantial evidence that the company lacks adequate financial assurances and resources required by Chapter 25B, thus supporting denial.

B. Recent Investigative Reporting by Hunterbrook Provides Additional Evidence Supporting Denial.

Attached hereto as Attachments B and C are two recent reports published by Hunterbrook that document "several examples of apparently selective disclosure[s] from Sable" to certain investors and assess Sable's precarious financial position based on its most recent Form 10-Q, respectively.²⁹ The information contained therein further demonstrate that Sable lacks the financial and operational capacity necessary to safely and reliably operate the Facilities. The reports speak for themselves and provide concrete evidence supporting findings for denial. County Code §§ 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2), 25B-10(a)(9), 25B-9(a)(5) and 25B-10(a)(5).

C. Evidence of Sable's Unpermitted Activities at the Facilities in Violation of the County Code is Relevant to Findings for Denial.

Attachment D is a letter dated October 22, 2025 from EDC on behalf of our clients to County Planning and Development Department Director Lisa Plowman that details Sable's

²⁵ *Id.*

²⁶ *Id.* at 9.

²⁷ *Id.* at 8.

²⁸ *Id.* at 9.

²⁹ Attachments B and C.

unpermitted activities at the Facilities in violation of Chapter 25B. The letter explains that Chapter 25B expressly prohibits the transfer of County permits for certain oil and gas facilities *unless the transfer complies with the requirements of the Chapter*. County Code §§ 25B-3; 25B-4(c). Yet Sable has operated the Facilities without the County permits, thereby improperly allowing Sable to circumvent the Board's authority, obviate the County's own ordinance (Chapter 25B), and undermine the recent court orders. The analysis set forth in the letter is directly relevant to findings for denial under Chapter 25B and is thus attached hereto as Attachment D.

II. Conclusion

There is extensive evidence that Sable does not have the financial or operational capacity necessary to safely and reliably operate the Facilities in a manner to protect public health and safeguard the environment. County Code § 25B-1. Substantial evidence supports a denial based on the requirements of, among others, sections 25B-9(a)(2), 25B-9(e)(1), 25B-10(a)(2), 25B-10(a)(9), 25B-9(a)(5) and 25B-10(a)(5). *See Desmond v. County of Contra Costa*, 21 Cal. App. 4th 330, 336-37 (1993)(an agency's decision to deny a project "must be upheld" if even *one finding* is supported by substantial evidence.).

The Board must deny Sable's Applications and direct staff to cease allowing Sable to operate the Facilities consistent with the Honorable Judge Dolly M. Gee's recent court order.

Sincerely,



Tara C. Rengifo
Senior Attorney

CCs: Lisa Plowman, Santa Barbara County Planning and Development Department Director
Rachel Van Mullem, County Counsel for Santa Barbara County

Attachments:

A - U.S. Securities and Exchange Commission (SEC), *Form 10-Q, Sable Offshore Corp.* (November 13, 2025)

B - Koppelman, S., *et al.*, Hunterbrook, *Exclusive: Exxon Spinout Sable Leaked Key Info to Investors Including Golfer Phil Mickelson* (October 31, 2025)

C - Koppelman, S., *et al.*, Hunterbrook, *Breaking: Sable Is Running Out Of Money* (November 14, 2025)

D - Letter from EDC on behalf of GOO!, SBCAN, Sierra Club, SBCK, and EDC, to Lisa Plowman, Director for the County of Santa Barbara Planning and Development Department (October 22, 2025)

Attachment A

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 001-40111

SABLE OFFSHORE CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

845 Texas Avenue, Suite 2920
Houston, TX 77002

(Address of principal executive offices)

85-3514078
(I.R.S. Employer Identification No.)

77002

(Zip Code)

(713) 579-6161

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	SOC	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes No

As of November 12, 2025 there were 144,961,796 shares of Common Stock, \$0.0001 par value, issued and outstanding.

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PART I. FINANCIAL INFORMATION
ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

SABLE OFFSHORE CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(dollars in thousands, except par values)

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 41,629	\$ 300,384
Restricted cash	—	35,388
Inventory and other	25,071	15,337
Prepaid expenses and other current assets	11,319	4,166
Total current assets	78,019	355,275
Oil and gas properties (Successful efforts method)		
Oil and gas properties	1,537,981	1,194,447
Less: Accumulated depreciation, depletion and amortization	(5,442)	—
Total oil and gas properties, net	1,532,539	1,194,447
Other, net	39,076	33,450
Total assets	\$ 1,649,634	\$ 1,583,172
Liabilities and Stockholders' Equity		
Accounts payable and accrued liabilities	\$ 163,703	\$ 119,753
Senior Secured Term Loan including paid-in-kind interest, net	896,571	—
Other current liabilities	1,426	918
Total current liabilities	1,061,700	120,671
Warrant liabilities	86,273	126,941
Asset retirement obligations	108,582	99,683
Senior Secured Term Loan including paid-in-kind interest, net	—	833,542
Deferred tax liability	26,498	1,162
Other	18,498	16,988
Total liabilities	1,301,551	1,198,987
Commitments and Contingencies (Note 8)		
Stockholders' Equity		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized; none issued and outstanding at September 30, 2025 and December 31, 2024	—	—
Common Stock, \$0.0001 par value; 500,000,000 shares authorized; 99,507,250 and 89,310,996 issued and outstanding at September 30, 2025 and December 31, 2024, respectively	10	8
Additional paid-in capital	1,394,357	1,082,473
Accumulated deficit	(1,046,284)	(698,296)
Total Stockholders' Equity	348,083	384,185
Total Liabilities and Stockholders' Equity	\$ 1,649,634	\$ 1,583,172

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SABLE OFFSHORE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(dollars in thousands, except per share data)

	Successor		Successor		Predecessor
	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	February 14, 2024 —September 30, 2024	January 1, 2024— February 13, 2024
Revenue					
Oil and gas sales	\$ —	\$ —	\$ —	\$ —	\$ —
Total revenue	—	—	—	—	—
Operating Expenses					
Operations and maintenance expenses	79,405	25,629	164,246	59,241	7,320
Depletion, depreciation, amortization and accretion	3,259	2,755	9,452	6,856	2,627
General and administrative expenses	36,719	26,225	134,369	209,890	1,714
Total operating expenses	119,383	54,609	308,067	275,987	11,661
Loss from operations	(119,383)	(54,609)	(308,067)	(275,987)	(11,661)
Other (income) expenses:					
Change in fair value of warrant liabilities	(34,817)	178,199	(40,668)	257,614	—
Other (income) expense, net	(1,828)	2,728	(7,776)	(72)	128
Interest expense	21,010	19,169	63,029	48,145	—
Total other (income) expense, net	(15,635)	200,096	14,585	305,687	128
Loss before income taxes	(103,748)	(254,705)	(322,652)	(581,674)	(11,789)
Income tax expense	6,630	865	25,336	19,437	—
Net loss	\$ (110,378)	\$ (255,570)	\$ (347,988)	\$ (601,111)	\$ (11,789)
Basic and diluted net loss per Common Stock					
Weighted average Common Stock outstanding, basic and diluted	99,485,641	62,166,298	91,770,695	60,969,774	n/a
Basic and diluted net loss per Common Stock	\$ (1.11)	\$ (4.11)	\$ (3.79)	\$ (9.86)	n/a

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SABLE OFFSHORE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) / PARENT NET INVESTMENT
(UNAUDITED)
(dollars in thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Successor:					
BALANCE—December 31, 2024	89,310,996	\$ 8	\$ 1,082,473	\$ (698,296)	\$ 384,185
Share based compensation	27,362	—	6,065	—	6,065
Net loss	—	—	—	(109,544)	(109,544)
BALANCE—March 31, 2025	89,338,358	8	1,088,538	(807,840)	280,706
Issuance of Common Stock	10,000,000	1	282,559	—	282,560
Share based compensation	143,892	1	10,426	—	10,427
Net loss	—	—	—	(128,066)	(128,066)
BALANCE—June 30, 2025	99,482,250	10	1,381,523	(935,906)	445,627
Share based compensation	25,000	—	12,834	—	12,834
Net loss	—	—	—	(110,378)	(110,378)
BALANCE—September 30, 2025	99,507,250	\$ 10	\$ 1,394,357	\$ (1,046,284)	\$ 348,083

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Successor:					
BALANCE—February 14, 2024 (prior to Business Combination)	7,187,500	\$ 1	\$ —	\$ (81,018)	\$ (81,017)
Redeemable shares reclassified to Common Stock	5,953,859	1	61,948	—	61,949
Net effect of Business Combination	13,141,359	2	61,948	(81,018)	(19,068)
Private offering proceeds, net	44,024,910	4	417,367	—	417,371
Issuance of merger consideration shares	3,000,000	—	36,300	—	36,300
Share based compensation	2,758,334	—	10,080	—	10,080
Net loss	—	—	—	(180,105)	(180,105)
BALANCE—March 31, 2024	62,924,603	6	525,695	(261,123)	264,578
Share based compensation	1,920,832	—	22,905	—	22,905
Net loss	—	—	—	(165,436)	(165,436)
BALANCE — June 30, 2024	64,845,435	6	548,600	(426,559)	122,047
Private offering proceeds, net	7,500,000	1	142,516	—	142,517
Issuance of Common stock upon exercise of warrants	6,315,977	—	141,756	—	141,756
Share based compensation	128,104	—	16,749	—	16,749
Net loss	—	—	—	(255,570)	(255,570)
BALANCE—September 30, 2024	78,789,516	\$ 7	\$ 849,621	\$ (682,129)	\$ 167,499

	Parent Net Investment
Predecessor:	
For the period January 1, 2024 to February 13, 2024	
BALANCE—January 1, 2024	\$ 339,021
Contributions from parent	22,474
Net loss	(11,789)
BALANCE—February 13, 2024	\$ 349,706

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SABLE OFFSHORE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<i>(dollars in thousands)</i>	Successor		Predecessor
	Nine Months Ended September 30, 2025	February 14, 2024— September 30, 2024	January 1, 2024— February 13, 2024
Cash flows from operating activities:			
Net loss	\$ (347,988)	\$ (601,111)	\$ (11,789)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation, depletion, amortization and accretion	9,452	6,856	2,627
Share based compensation expense	30,016	86,034	—
Amortization of operating lease right-of-use asset	1,236	—	—
Amortization of debt issuance costs	467	801	—
Paid-in-kind interest	62,562	47,344	—
Effect of amendment to the Senior Secured Term Loan	—	4,957	—
Deferred tax expense	25,336	19,437	—
Change in fair value of warrant liabilities	(40,668)	257,614	—
Changes in current assets and current liabilities, net of effect of acquisition:			
Inventory and other	(4,762)	798	5,980
Prepaid expenses and other assets	(9,923)	(2,787)	—
Accounts payable and accrued liabilities	20,698	54,548	(7,922)
Due to related party	—	—	(11,370)
Net cash used in operating activities	(253,574)	(125,509)	(22,474)
Cash flows from investing activities:			
Payments for capital expenditures	(323,093)	(18,574)	—
Cash paid for acquisition	—	(204,154)	—
Net cash used in investing activities	(323,093)	(222,728)	—
Cash flows from financing activities:			
Capital contribution from parent	—	—	22,474
Private offering proceeds	295,000	590,249	—
Payment of equity issuance costs	(12,476)	(22,878)	—
Cash received on warrant exercises, net	—	72,452	—
Payment on Senior Secured Term Loan	—	(18,750)	—
Payment of debt issuance costs	—	(1,557)	—
Payment of non-convertible promissory notes—related parties	—	(1,129)	—
Net cash provided by financing activities	282,524	618,387	22,474
Net change in cash	(294,143)	270,150	—
Cash, cash equivalents and restricted cash, beginning of the period	335,772	53,334	—
Cash, cash equivalents and restricted cash, end of the period	\$ 41,629	\$ 323,484	\$ —
Reconciliation of cash, cash equivalents and restricted cash to the unaudited condensed consolidated balance sheets			
Cash and cash equivalents	\$ 41,629	\$ 288,232	\$ —
Restricted cash	—	35,252	—
Total cash, cash equivalents and restricted cash	\$ 41,629	\$ 323,484	\$ —

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SABLE OFFSHORE CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
SEPTEMBER 30, 2025

Note 1 — Organization, Business Operations, and Going Concern

Organization and General

Sable Offshore Corp. (“Sable,” the “Company” or “we”) (formerly known as Flame Acquisition Corp. or “Flame”) is an independent oil and gas company headquartered in Houston, Texas. Flame was initially formed as a special purpose acquisition company for the purpose of entering into a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses.

On November 2, 2022, the Company entered into an agreement and plan of merger, dated as of November 2, 2022 (as amended, supplemented, or otherwise modified from time to time, the “Merger Agreement”), with Sable Offshore Corp., a Texas corporation (“SOC”), and Sable Offshore Holdings, LLC, a Delaware limited liability company and the parent company of SOC (“Holdco” and, together with SOC, “Legacy Sable”). Pursuant to the Merger Agreement, on February 14, 2024, (i) Holdco merged with and into Flame, with Flame surviving such merger (the “Holdco Merger”) and (ii) Legacy Sable merged with and into Flame, with Flame surviving such merger (the “SOC Merger” and, together with the Holdco Merger, the “Mergers” and, along with the other transactions contemplated by the Merger Agreement, the “Merger”).

On November 1, 2022, SOC, entered into a purchase and sale agreement (as amended, the “Sable-EM Purchase Agreement”) with Exxon Mobil Corporation (“Exxon”) and Mobil Pacific Pipeline Company (“MPPC,” and together with Exxon, “EM”) pursuant to which SOC agreed to acquire from EM certain assets constituting the Santa Ynez field in Federal waters offshore California (“SYU”) and associated onshore processing and pipeline assets (such “Assets,” as defined in the Sable-EM Purchase Agreement, collectively the “SYU Assets”).

On February 14, 2024 (the “Closing Date”), the Company consummated the Merger and related transactions (the “Business Combination”) contemplated by the Merger Agreement, following which Flame was renamed “Sable Offshore Corp.”. Pursuant to the terms and subject to the conditions set forth in the Sable-EM Purchase Agreement, the transactions contemplated by the Sable-EM Purchase Agreement were also consummated on February 14, 2024 (“Sable-EM Closing Date”), immediately after the Business Combination, as a result of which Sable purchased the SYU Assets, effective as of January 1, 2022. On February 15, 2024, Sable’s shares of Common Stock, par value \$0.0001 per share (“Common Stock”) and warrants to purchase Common Stock at an exercise price of \$11.50 per share (the “Public Warrants”) began trading on NYSE under the symbols, “SOC” and “SOC.WS,” respectively (refer to *Note 3 — Acquisition* for additional details).

On the Closing Date, the Company issued 44,024,910 shares of Common Stock of the Company, at a price of \$10.00 per share for aggregate gross proceeds of \$440.2 million (the “First PIPE Investment”). The shares of Common Stock issued in the First PIPE Investment were offered in a private placement under the Securities Act of 1933, as amended (the “Securities Act”). Upon the closing of the Business Combination, an associated marketing fee and legal fees of approximately \$22.9 million was paid in full, and was recognized as an offset to the proceeds from the First PIPE Investment within Additional paid-in capital in the unaudited condensed consolidated statement of stockholders’ equity (deficit)/net parent investment as of December 31, 2024 (Successor).

On September 26, 2024, the Company issued 7,500,000 shares of Common Stock of the Company, at a price of \$20.00 per share for aggregate gross proceeds of approximately \$150.0 million (the “Second PIPE Investment”). The shares of Common Stock issued in the Second PIPE Investment were offered in a private placement under the Securities Act. Upon the closing of the Second PIPE Investment, an associated marketing fee and legal fees of approximately \$7.8 million was paid in full, and was recognized as an offset to the proceeds from the Second PIPE Investment within Additional paid-in capital in the unaudited condensed consolidated balance sheet and statement of stockholders’ equity (deficit)/net parent investment as of December 31, 2024 (Successor).

On October 31, 2024, the Public Warrants (refer to *Note 7 — Warrants*) ceased trading on the New York Stock Exchange following the Company’s announcement to redeem all remaining outstanding Public Warrants. During the period from February 14, 2024 through December 31, 2024 (Successor), approximately 99.8% of the Public Warrants were exercised by the holders thereof at an exercise price of \$11.50 per share. As a result, holders of the Public Warrants received an aggregate 15,957,820 shares of the Company’s Common Stock in exchange for \$183.5 million in cash proceeds to the Company. The remaining Public Warrants that were not exercised were redeemed by the Company for \$0.01 per Public Warrant. Refer to *Note 7 — Warrants* for additional details regarding the warrant exercises.

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On December 13, 2024, the Company entered into the Fourth Amendment to the Sable-EM Purchase Agreement, pursuant to which the following definitions were amended. “Restart Production” was redefined as 150 days after first production, extending the maturity date of the Senior Secured Term Loan by 60 days. “Restart Failure Date” was extended an additional 60 days to March 1, 2026. In the absence of further negotiations, Restart Production must take place prior to March 1, 2026, and the Senior Secured Term Loan must be refinanced within 240 days following such first production date.

On May 19, 2025, the Company announced that as of May 15, 2025, it had restarted production at SYU and begun flowing oil production from six wells at SYU’s Platform Harmony to the Company’s Las Flores Canyon (“LFC”). Additionally, on May 19, 2025 the Company also announced that with the completion of the Gaviota State Park anomaly repairs on the Las Flores Pipeline System (the “Onshore Pipeline”) on May 18, 2025, the Company completed its anomaly repair program on the Onshore Pipeline as specified by the Consent Decree, the governing document for the restart and operations of the Onshore Pipeline.

On May 21, 2025, the Company entered into an underwriting agreement (the “Underwriting Agreement”) with J.P. Morgan Securities LLC, TD Securities (USA) LLC and Jefferies LLC, as representatives of the several underwriters (the “Underwriters”), relating to the underwritten public offering of 8,695,654 shares of Common Stock (the “2025 Offering”). Pursuant to the Underwriting Agreement, the Company granted the Underwriters a 30-day option to purchase up to 1,304,346 additional shares of Common Stock. On May 23, 2025 the upsized underwritten public offering of 10,000,000 shares of Common Stock at the public offering price of \$29.50 per share closed. Upon the closing of the 2025 Offering, associated marketing fees and legal fees of approximately \$12.4 million were incurred, and were recognized as an offset to the proceeds from the 2025 Offering within Additional paid-in capital in the unaudited condensed consolidated balance sheet and statement of stockholders’ equity (deficit)/net parent investment as of September 30, 2025. The Company received approximately \$282.6 million of net proceeds from the 2025 Offering.

Unless otherwise noted or the context otherwise requires, references to (i) the “Company,” “Sable,” “we,” “us,” or “our” are to Sable Offshore Corp., a Delaware corporation, and its consolidated subsidiaries, following the Business Combination, (ii) “Flame” refers to Flame Acquisition Corp. prior to the Business Combination, and (iii) the “Pipelines” are to Pipeline Segments 324/325 (formally known as Pipeline Segments 901/903) and the other “324/325 Assets” (formally known as “901/903 Assets” and as defined in the Sable-EM Purchase Agreement).

For the purposes of the unaudited condensed consolidated financial statements, periods on or before February 13, 2024 reflect the financial position, results of operations and cash flows of the SYU Assets (excluding the Pipelines) prior to the Business Combination, referred to herein as the “Predecessor,” and periods beginning on or after February 14, 2024 reflect the financial position, results of operations and cash flows of the Company as a result of the Business Combination, referred to herein as the “Successor”.

These unaudited condensed consolidated financial statements and notes should be read in conjunction with our audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern. The Company has experienced losses from operations and has negative cash flows from operations since inception. The Company expects to continue to incur losses until it can recognize revenue in connection with the sale of production from the SYU Assets. As of September 30, 2025, the Successor reported unrestricted cash of \$41.6 million, total debt of \$896.6 million, and an accumulated deficit of \$1.0 billion. Additionally, the achievement of first production triggered the acceleration of the Senior Secured Term Loan maturity date to 240 days after the production restart date, or January 9, 2026, but is expected to be extended to the earlier of (i) March 31, 2027 or (ii) the date falling 90 days after first sales of Hydrocarbons (as defined in the Senior Secured Term Loan) upon effectiveness of the Second Debt Amendment (refer to *Note 6 — Debt* for additional details regarding the Second Debt Amendment).

Following the Closing Date and through September 30, 2025, management has addressed capital funding needs with the consummation of the Business Combination, the First PIPE Investment, the Second PIPE Investment, proceeds from the exercise of warrants (refer to *Note 7 — Warrants* for additional details regarding the warrant exercises), net proceeds from the 2025 Offering, and the Third PIPE Investment (see *Note 13 — Subsequent Events* for discussion of the Third PIPE Investment).

On September 29, 2025, the Company announced that it is evaluating and pursuing an alternative offtake strategy which would utilize an Offshore Storage and Treating Vessel (“OS&T”) to treat and store the federal crude oil produced from the

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SYU in the Pacific Outer Continental Shelf Area (the “OS&T Strategy”). Sable continues to work diligently with the State of California to safely and responsibly resume petroleum transportation through the Onshore Pipeline in accordance with its federal Consent Decree, which was entered into by several state and federal agencies (the “Pipeline Strategy”). However, continued regulatory delays related to the Onshore Pipeline have prompted Sable to evaluate and pursue the OS&T Strategy, which after implementation would provide access to domestic and global markets via shuttle tankers. Implementation of the OS&T Strategy will require regulatory authorizations along with additional financing.

Additionally, if the Company’s estimates of the costs to reach first sales are less than the actual amounts necessary to do so, the Company may have insufficient funds available to operate its business prior to first sales and will need to raise additional capital. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, among other things, reducing overhead expenses.

Due to the remaining regulatory and legal approvals necessary to implement either the Pipeline Strategy or OS&T Strategy, and resume sales of production volumes, and lack of assurance that new financing, or refinancing of the Senior Secured Term Loan, will be available to the Company on commercially acceptable terms, if at all, substantial doubt exists about the Company’s ability to continue as a going concern. The financial statements included in this quarterly report do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that could be necessary if the Company is unable to continue as a going concern.

Note 2 — Significant Accounting Policies

Basis of Presentation

Flame was initially formed as a special purpose acquisition company for the purpose of entering into a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. On February 14, 2024, Flame completed the transactions contemplated by the Merger Agreement and the Sable-EM Purchase Agreement, with Flame surviving the transactions and changing its name to Sable Offshore Corp. thereafter. The Company was deemed the accounting acquirer in the Business Combination based on an analysis of the criteria outlined in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 805, *Business Combinations*, (“ASC 805”) with such transactions being accounted for as a forward merger, and SYU was deemed the Predecessor entity for accounting purposes. Refer to *Note 3 — Acquisition* for disclosures related to the Business Combination.

As a result of the Business Combination, the results of operations, financial position and cash flows of the Predecessor and Successor are not directly comparable. Since SYU was deemed to be the Predecessor entity, the historical financial statements of SYU became the historical financial statements of the combined Company, upon the consummation of the Business Combination. As a result, the financial statements included in this report reflect (i) the historical operating results of SYU prior to the Business Combination and (ii) the unaudited condensed consolidated results of the Company, including SYU, following the Closing Date. The accompanying unaudited condensed financial statements include a Predecessor period, which includes the period January 1, 2024 through February 13, 2024 concurrent with the Business Combination, and a Successor period from February 14, 2024 through March 31, 2024, and thereafter. A black line between the Successor and Predecessor periods has been placed in the unaudited condensed consolidated financial statements and in the tables to the notes to the unaudited condensed consolidated financial statements to highlight the lack of comparability between these two periods.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and in accordance with the instructions to Form 10-Q and Article 8 of Regulation S-X of the U.S. Securities and Exchange Commission (“SEC”). Certain information or footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, they do not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash flows. In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair presentation of the financial position, operating results and cash flows for the periods presented. Financial presentation in prior periods has been adjusted to conform with current period presentation. These unaudited condensed consolidated financial statements for the quarterly period ended September 30, 2025 may not be representative of the financial results for the full year 2025.

The Predecessor financial statements reflect the carve-out assets, liabilities, parent net investment, revenues, expenses, and cash flows of SYU. SYU had not previously been separately accounted for as a stand-alone legal entity. The accounts are presented on a combined basis because SYU was under common control of EM.

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The accompanying Predecessor financial statements also include a portion of indirect costs for general and administrative expenses. In addition to the allocation of indirect costs, the Predecessor financial statements reflect certain agreements executed by EM for the benefit of SYU. The allocations methodologies for significant allocated items include:

- General and administrative expenses that were not specifically identifiable to SYU were allocated to SYU as a portion of certain other operating costs based on aggregated historical benchmarking data for the period from January 1, 2022 to February 13, 2024. The total amounts allocated to SYU for the period from January 1, 2024 to February 13, 2024, which are recorded in general and administrative expenses, are \$1.7 million.
- Long-term debt was not allocated to SYU as it was a legal obligation of EM, which was not directly impacted by the sale of SYU to Sable.

Management believes the allocation methodologies used in the Predecessor financial statements are reasonable and result in an allocation of EM's indirect costs of operating SYU as a stand-alone entity. These Predecessor financial statements may not be indicative of the future performance of SYU and do not necessarily reflect what the results of operations, financial position and cash flows would have been had SYU been operated as an independent company during the periods presented.

Emerging Growth Company Status

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended, (the "Securities Act"), as modified by the Jumpstart our Business Startups Act of 2012, (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies. The Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Significant estimates made by management include, among others, allocation assumptions and the carrying amount of asset retirement obligations, which are based on the timing and cost of future abandonments, inputs utilized to fair value warrant liabilities, and assumptions used to estimate deferred taxes.

While management believes these estimates are reasonable, changes in facts and assumptions or the discovery of new information may result in revised estimates. Actual results could differ from these estimates, and it is at least reasonably possible these estimates could be revised in the near term, and these revisions could be material.

Segment Reporting

Sable operates in a single reportable segment, oil and gas. The oil and gas segment is defined based on the way in which internally reported financial information is regularly reviewed by the chief operating decision maker ("CODM"), our Chairman and Chief Executive Officer, to analyze financial performance and allocate resources. The CODM assesses

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performance and decides how to allocate resources based on net income (loss) presented in the unaudited condensed consolidated statements of operations.

Fair Value Measurements

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Refer to *Note 11 — Fair Value Measurements* for fair value disclosures.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents.

Restricted Cash

The Company considers cash or cash equivalents that are legally restricted from use or withdrawal as restricted cash. In March of 2024, the Company entered into the Settlement Agreement (as defined below) in regards to the Grey Fox Matter (as defined below), refer to *Note 8 — Commitments and Contingencies* for additional details regarding the Grey Fox Matter. Pursuant to the Settlement Agreement, the Company was required to deliver a irrevocable direct pay letter of credit (the “Letter of Credit”) in the amount of \$35.0 million to the plaintiffs’ counsel (the “Plaintiffs”) in the Grey Fox Matter. The Letter of Credit was issued by JPMorgan Chase Bank, N.A. (“JPMorgan”) and required the Company to enter into a cash collateral agreement (the “Collateral Agreement”) with JPMorgan on May 7, 2024. Pursuant to the Collateral Agreement, the Company deposited \$35.0 million into a collateral account (the “Collateral Account”), which was pledged as collateral to JPMorgan as the issuer of the Letter of Credit. Pursuant to the terms of the Settlement Agreement, the Plaintiffs in the Grey Fox Matter were able to draw upon the Letter of Credit upon satisfaction of certain conditions, and the funds held in the Collateral Account were legally restricted to reimburse JPMorgan for such draws, in addition to any related fees and expenses.

On July 7, 2025, in accordance with the Settlement Agreement, JPMorgan processed the \$35.0 million draw statement and wired the funds to Plaintiffs pursuant to the Letter of Credit. JPMorgan subsequently accepted the \$35.0 million restricted cash as settlement in full of the obligations created by the draw of the Letter of Credit, all as contemplated by the Settlement Agreement.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and restricted cash deposits with a financial institution, which, at times, may exceed the Federal Depository Insurance Coverage of \$0.3 million. As of September 30, 2025 and December 31, 2024, the Company did not experience losses on this account.

Related Parties

Transactions between related parties are considered to be related party transactions even though they may not be given accounting recognition. FASB ASC Topic 850, *Related Party Disclosures* (“ASC 850”), requires transactions with related parties that would make a difference in decision making to be disclosed so that users of the unaudited condensed consolidated financial statements can evaluate their significance.

During the period from January 1, 2024 through February 13, 2024 (Predecessor), there were no related party transactions, except for the management and administrative services. SYU previously received management and administrative services

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from EM, a portion of which was attributable to SYU. Additionally, cash that was received on behalf of SYU by EM created a receivable for SYU, while expenditures made by EM on behalf of SYU created a payable for SYU. The net receivable or payable from all cash activity attributable to SYU is reflected as Due to related party. Refer to *Note 5 — Related Party Transactions* for related party disclosures.

Property, Plant and Equipment

Cost Basis. The Company's oil, natural gas and NGL producing activities are accounted for under the successful efforts method of accounting. Under this method, costs are accumulated on a field-by-field basis. Costs incurred to purchase, lease, or otherwise acquire a property (whether unproved or proved) are capitalized when incurred. Exploratory well costs are carried as an asset when the well has found a sufficient quantity of reserves to justify its completion as a producing well and where sufficient progress assessing the reserves and the economic and operating viability of the project is being made. Exploratory well costs not meeting these criteria are charged to expense. Other exploratory expenditures, including geophysical costs and annual lease rentals, are expensed as incurred. Development costs, including costs of productive wells and development dry holes, are capitalized.

Other Property and Equipment. Other property and equipment primarily consist of onshore midstream facilities, transportation assets and assets related to the Company's corporate office (the "Office Assets"). Due to the nature of such assets, the onshore midstream facilities are presented within oil and gas properties, while the transportation assets and the Office Assets are presented within other assets on the unaudited condensed consolidated balance sheets.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization are primarily determined under the unit-of-production method, which is based on estimated asset service life taking obsolescence into consideration.

Acquisition costs of proved properties are to be amortized using a unit-of-production method, computed on the basis of total proved oil and natural gas reserve volumes. Capitalized exploratory drilling and development costs associated with productive depletable extractive properties are amortized using the unit-of-production rates based on the amount of proved developed reserves of oil and gas that are estimated to be recoverable from existing facilities using current operating methods. Under the unit-of-production method, oil and natural gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the lease or field storage tank.

Due to the nature of our investments in midstream equipment, the cost of such assets are also to be amortized using the unit-of-production rates based on the amount of proved developed reserves of oil and gas that are estimated to be recoverable from existing facilities using current operating methods. Maintenance and repairs, including planned major maintenance, are expensed as incurred. Major renewals and improvements are capitalized and the assets replaced are retired.

SYU had previously been shut in since 2015 due to a pipeline incident but was maintained to preserve it in an operation-ready state. Thus, no depreciation, depletion, and amortization was recognized prior to achieving first production on May 15, 2025. The Company produced oil volumes during the three and nine months ended September 30, 2025 and accordingly recognized \$3.6 million and \$5.4 million of depreciation, depletion, and amortization expense, which has been capitalized as Inventory and other on the unaudited condensed consolidated balance sheet (see further discussion below of Oil Inventory) as the produced oil volumes have been retained within the Company's storage tanks as of September 30, 2025.

Depreciation, depletion, amortization, and accretion expense for oil and gas properties recognized on the unaudited condensed consolidated statement of operations for the three and nine months ended September 30, 2025 (Successor), the three months ended September 30, 2024 (Successor) and the period February 14, 2024 through September 30, 2024 (Successor) consisted of asset retirement obligation related accretion expense in the amount of \$3.1 million, \$8.9 million, \$2.8 million and \$6.9 million, respectively, and depreciation on other property and equipment of \$0.2 million, \$0.6 million, zero and zero, respectively.

Depreciation, depletion, amortization, and accretion expense for oil and gas properties and related equipment was \$2.6 million for the period from January 1, 2024 through February 13, 2024 (Predecessor).

The Company had net capitalized costs related to oil and gas properties and related equipment of \$1.5 billion as of September 30, 2025 and \$1.2 billion as of December 31, 2024.

Impairment Assessment. Oil and gas properties are tested for recoverability on an ongoing basis whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Among the events or changes in

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circumstances which could indicate that the carrying value of an asset or asset group may not be recoverable are the following:

- a significant decrease in the market price of a long-lived asset;
- a significant adverse change in the extent or manner in which an asset is being used or in its physical condition including a significant decrease in current and projected reserve volumes;
- a significant adverse change in legal factors or in the business climate that could affect the value, including an adverse action or assessment by a regulator;
- an accumulation of project costs significantly in excess of the amount originally expected; and
- a current-period operating loss combined with a history and forecast of operating or cash flow losses.

Oil and gas properties undergo a process to monitor for indicators of potential impairment throughout the year. This process is aligned with the requirements of FASB ASC Topic 360, *Property, Plant, and Equipment* (“ASC 360”) and FASB ASC Topic 932, *Extractive Industries—Oil and Gas* (“ASC 932”). Asset valuation analysis, profitability reviews and other periodic control processes assist in assessing whether events or changes in circumstances indicate the carrying amounts of any of the assets may not be recoverable.

Because the lifespans of the oil and gas properties are measured in decades, the future cash flows of these assets are predominantly based on long-term oil and natural gas commodity prices, industry margins, and development and production costs. Significant reductions in management’s view of oil or natural gas commodity prices or margin ranges, especially the longer-term prices and margins, and changes in the development plans, including decisions to defer, reduce, or eliminate planned capital spending, can be an indicator of potential impairment. Other events or changes in circumstances, can be indicators of potential impairment as well.

In general, temporarily low prices or margins are not viewed as an indication of impairment. Management believes that prices over the long term must be sufficient to generate investments in energy supply to meet global demand. Although prices will occasionally drop significantly, industry prices over the long term will continue to be driven by market supply and demand fundamentals. On the supply side, industry production from mature fields is declining. This is being offset by investments to generate production from new discoveries, field developments and technology, and efficiency advancements. The Organization of the Petroleum Exporting Countries investment activities and production policies also have an impact on world oil supplies. The demand side is largely a function of general economic activities, alternative energy sources and levels of prosperity. During the lifespan of its major assets, management expects that oil and gas prices and industry margins will experience significant volatility, and consequently these assets will experience periods of higher earnings and periods of lower earnings. In assessing whether events or changes in circumstances indicate the carrying value of an asset may not be recoverable, management considers recent periods of operating losses in the context of its longer-term view of prices and margins.

Cash Flow Assessment. If events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, management estimates the future undiscounted cash flows of the affected properties to judge the recoverability of carrying amounts. In performing this assessment, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Cash flows used in recoverability assessments are based on assumptions which are developed by management and are consistent with the criteria management uses to evaluate investment opportunities. These evaluations make use of assumptions of future capital allocations, crude oil and natural gas commodity prices including price differentials, refining and chemical margins, volumes, and development and operating costs. Volumes are based on projected field and facility production profiles, throughput, or sales. Management’s estimate of upstream production volumes used for projected cash flows makes use of proved reserve quantities and may include risk-adjusted unproved reserve quantities.

Fair value of Impaired Assets. An asset group is impaired if its estimated undiscounted cash flows are less than the asset group’s carrying value. Impairments are measured by the amount by which the carrying value exceeds fair value. The assessment of fair value is based upon the views of a likely market participant. The principal parameters used to establish fair value include estimates of acreage values and flowing production metrics from comparable market transactions, market-based estimates of historical cash flow multiples, and discounted cash flows. Inputs and assumptions used in discounted cash flow models include estimates of future production volumes, throughput and product sales volumes, commodity prices which are consistent with the average of third-party industry experts and government agencies, refining and chemical margins, drilling and development costs, operating costs and discount rates which are reflective of the characteristics of the asset group. Impairments incurred are Level 3 fair value measurements.

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There were no impairments recognized during the nine months ended September 30, 2025 (Successor), or the periods February 14, 2024 through September 30, 2024 (Successor) and January 1, 2024 through February 13, 2024 (Predecessor).

Inventory and Other

Materials and Supplies. Materials and supplies are valued at the lower of cost or net realizable value and presented as a component of Inventory and other on the unaudited condensed consolidated balance sheets.

Oil Inventory. As referenced above, the Company announced that it restarted production at SYU on May 15, 2025, and began flowing oil production to LFC storage facilities. As a result, the Company recognized short term oil inventory as of September 30, 2025. FASB ASC Topic 330, *Inventory* (“ASC 330”) dictates that inventory shall initially be valued at the price paid or consideration given to acquire an asset. By analogy, the Company capitalized the costs incurred that were directly attributable to producing and transporting the production to the onshore storage tanks, including associated depreciation, depletion, and amortization. Oil inventory is presented as a component of Inventory and other on the unaudited condensed consolidated balance sheets.

The Company has oil inventory storage capacity of 540 MBbls onshore at LFC. The Company generally expects the inventory volumes to fluctuate over time to maintain optimal operational efficiencies. The ending volume of inventory that remains in the onshore storage tanks is measured at the current period’s cost, and a lower of cost or net realizable value assessment is performed for each reporting period.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities include obligations incurred in the ordinary operation of the business for services performed and products received, including capital expenditures that are capitalized as oil and gas properties. Accounts payable and accrued liabilities consisted of the following as of:

<i>(in thousands)</i>	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Accounts payable	\$ 53,330	\$ 16,806
Accrued operations expenditures	110,373	67,909
Legal settlement payable	—	35,038
Total accounts payable and accrued liabilities	<u>\$ 163,703</u>	<u>\$ 119,753</u>

Asset Retirement Obligations

The Company’s asset retirement obligations (“ARO”) primarily relate to the future plugging and abandonment of oil and gas properties and related facilities. The Company uses assumptions and judgments to estimate the respective future plugging and abandonment costs, technical assessments of the assets and their ultimate productive life (timing of settlements), a risk-adjusted discount rate and an inflation factor in order to determine the current present value of this obligation. To the extent future revisions to these assumptions impact the present value of the existing asset retirement obligation liability, a corresponding adjustment is made to the oil and gas property balance.

The fair values of these obligations are recorded as liabilities on a discounted basis, which is typically at the time the assets are installed. Asset retirement obligations incurred in the current period are Level 3 fair value measurements. The costs associated with these liabilities are capitalized as part of the related assets and depreciated as the reserves are produced. Over time, the liabilities are accreted for the change in their present value. Refer to *Note 4 — Asset Retirement Obligations* for additional disclosures.

Derivative Warrant Liabilities

The Company does not currently use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to FASB ASC Topic 480, “*Distinguishing Liabilities from Equity*” and FASB ASC Topic 815, “*Derivatives and Hedging*” (“ASC 815”). The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

The Company accounts for its warrants as derivative warrant liabilities in accordance with ASC 815-40. Accordingly, the Company recognizes the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The liabilities are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company’s unaudited condensed consolidated statements of operations (Refer to *Note 11 — Fair Value Measurements* for additional details).

Income Taxes

The Company accounts for income taxes under FASB ASC Topic 740, “*Income Taxes*” (“ASC 740”). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC 740 also requires that an annual effective tax rate be determined and that such annual effective rate be applied to year-to-date income in interim periods. Utilizing provisions of ASC 740, the Company’s effective tax rate was negative 6.4%, negative 7.9%, negative 0.3% and negative 3.3% for the three and nine months ended September 30, 2025 (Successor), the three months ended September 30, 2024 (Successor) and the period February 14, 2024 through September 30, 2024 (Successor), respectively. The effective tax rate differs from the statutory tax rate of 21% due primarily to changes in valuation allowance on the deferred tax assets and disallowed expenses. No income taxes were allocated to the Predecessor as it was not a taxable legal entity.

Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements, which will result in taxable or deductible amounts in the future. In evaluating our ability to recover our deferred tax assets, we consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations. In projecting future taxable income, we begin with historical results and incorporate assumptions about the amount of future federal and state pretax operating income adjusted for items that do not have tax consequences. Based on our ongoing assessment of all available evidence, both positive and negative, we concluded that it was more likely than not that our U.S. deferred tax assets in excess of deferred tax liabilities would not be realized. Also, in scheduling the reversals of our existing timing differences for the Successor period, we concluded that certain deferred tax liabilities in future periods do not have deferred tax assets available to offset, which is primarily due to our net operating losses being limited to 80% of taxable income on an annual basis. Therefore, a further valuation allowance of our deferred tax assets in excess of our liabilities is necessary and results in deferred tax expenses for the Successor period. Our judgment regarding the likelihood of realization of these deferred tax assets could change in future periods, which could result in a material impact to our income tax provision in the period of change.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was enacted in the United States. The OBBBA makes permanent key elements of the Tax Cuts and Jobs Act of 2017, including 100% bonus depreciation on qualified property acquired and placed in service after January 19, 2025. Per ASC 740, the effects of changes in tax rates and laws on deferred tax balances to be recognized in the period in which the legislation is enacted is required. The financial reporting implications of the OBBBA were recorded in the income tax provision for the quarter and year to date periods ended September 30, 2025, in accordance with ASC 740.

Parent Net Investment (Predecessor)

Parent net investment reflects the financial reporting basis of SYU’s assets and liabilities and changes due to capital contributions and losses. All cash activity of SYU for the periods presented were concentrated in accounts retained by EM. Accordingly, net cash activity attributable to SYU is reflected in contributions from parent in the accompanying unaudited condensed consolidated financial statements in the Predecessor periods.

Net Loss Per Share of Common Stock

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, “Earnings Per Share.” Net loss per share of Common Stock is computed by dividing net loss by the weighted average number of shares of Common Stock outstanding for the period.

The following table reflects the calculation of basic and diluted net loss per share of Common Stock.

	Successor				Predecessor
	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	February 14, 2024—September 30, 2024	January 1, 2024—February 13, 2024
<i>(dollars in thousands, except per share amounts)</i>					
Net loss	\$ (110,378)	\$ (255,570)	\$ (347,988)	\$ (601,111)	\$ (11,789)
Weighted average shares outstanding—Basic and diluted	99,485,641	62,166,298	91,770,695	60,969,774	n/a
Net loss per share—Basic and diluted	\$ (1.11)	\$ (4.11)	\$ (3.79)	\$ (9.86)	n/a

The diluted net loss per share calculation excludes the anti-dilutive effect of 8,987,062 warrants, 10,084,265 restricted share units and 19,000 restricted share awards for the three and nine months ended September 30, 2025 (Successor), and 25,431,341 warrants and 4,807,270 restricted share awards for the three months ended September 30, 2024 (Successor) and for the period from February 14, 2024 through September 30, 2024 (Successor).

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740) — “Improvements to Income Tax Disclosures.” The FASB issued this ASU to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this ASU address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this ASU are effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently reviewing what impact, if any, adoption will have on the Company’s financial position, results of operations or cash flows.

In November 2024, the FASB issued ASU 2024-03, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40) — “Disaggregation of Income Statement Expenses.” The FASB issued this ASU to improve the disclosures about a public business entity’s expenses and address requests from investors for more detailed information about the types of expenses (including purchases of inventory, employee compensation, depreciation, amortization, and depletion) in commonly presented expenses captions (such as cost of sales, SG&A, and research and development). The amendments in this ASU are effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently reviewing what impact, if any, adoption will have on the Company’s disclosures.

The Company’s management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

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Note 3 — Acquisition

On the Sable-EM Closing Date, in connection with the consummation of the transactions contemplated by the Sable-EM Purchase Agreement, the Company entered into a \$625.0 million five year Senior Secured Term Loan with Exxon (the “Senior Secured Term Loan”) and paid additional consideration of \$203.9 million in cash to Exxon (which excludes an \$18.8 million cash deposit on the Senior Secured Term Loan paid to Exxon on the Closing Date). Refer to *Note 6 — Debt* for additional details regarding the Senior Secured Term Loan.

The following table presents the adjusted purchase consideration (in thousands):

Consideration:		
Purchase consideration as per Sable-EM Purchase Agreement	\$	625,000
Plus:		
Paid-in-kind interest from effective date to closing*		140,018
Materials and supplies*		16,637
Cash consideration paid		203,945
Adjusted purchase consideration	\$	985,600

*Included in the initial principal associated with the Senior Secured Term Loan.

The acquisition of the SYU Asset's is accounted for under the scope of ASC 805. Pursuant to ASC 805, Sable was determined to be the accounting acquirer. The allocation of the purchase price included in the unaudited condensed consolidated balance sheets is based on the best estimate of management. To assist management in the allocation, the Company engaged valuation specialists.

The following table represents the allocation of the total purchase price for the acquisition of the identifiable assets acquired and the liabilities assumed at the acquisition date (in thousands):

Total consideration	\$	985,600
Fair value of assets acquired:		
Oil and gas properties	\$	1,060,374
Materials and supplies		16,637
Other assets		4,621
Amount attributable to assets acquired	\$	1,081,632
Fair value of liabilities assumed:		
Asset retirement obligations	\$	90,073
Other current liabilities		827
Deferred tax liability		1,209
Other long term liabilities		3,923
Amounts attributable to liabilities assumed		96,032
Net assets acquired and liabilities assumed	\$	985,600

The Company assumed contractual agreements for warehousing space and for surface use rights. For leases with a primary term of more than 12 months, a right-of-use (“ROU”) asset and the corresponding ROU lease liability was recorded. The Company recorded an initial asset and liability of \$4.6 million associated with the assumed leases. The Company determines at inception if an arrangement is an operating or financing lease.

The Company also paid transaction costs in the Successor period in connection with the acquisition and the related Business Combination totaling \$49.1 million, of which \$24.7 million was recognized in Selling, general, and administrative expenses in the unaudited condensed consolidated statement of operations as of the Closing Date, \$22.9 million was recognized as a charge to Additional paid-in-capital, and \$1.5 million was capitalized as debt issuance costs on the unaudited condensed consolidated balance sheet as of the Closing Date.

Note 4 — Asset Retirement Obligations

The Company's asset retirement obligations relate to the future plugging and abandonment of oil and gas properties and related facilities. The following table describes the changes to the Company's asset retirement obligations liability as of:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Beginning balance	\$ 99,683	\$ —
Acquisition of SYU	—	90,073
Accretion	8,899	9,610
Ending balance	\$ 108,582	\$ 99,683

Note 5 — Related Party Transactions

Convertible Promissory Notes

Since Flame's inception, it entered into nine convertible promissory notes with Flame Acquisition Sponsor LLC ("Sponsor") to provide working capital loans (the "Working Capital Loans") totaling \$3.3 million as of February 14, 2024. The Working Capital Loans were to be either repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, such Working Capital Loans were convertible into warrants of the post-Business Combination entity at a price of \$1.00 per warrant. At the Closing Date, all of the Working Capital Loans were converted into an aggregate of 3,306,370 Private Warrants at a price of \$1.00 per Warrant. The warrants are identical to the Private Placement Warrants. See warrant discussion at *Note 7 — Warrants*.

Promissory Note Loans

Since Flame's inception, it entered into four non-convertible promissory notes (the "Promissory Note Loans") with the Sponsor to provide Promissory Note Loans that were used to pay for expenditures of the acquisition target totaling \$1.1 million as of February 14, 2024. At the Closing Date, each of the Promissory Note Loans were fully repaid in cash.

Founder Reimbursement

Under the terms of the Merger Agreement, James C. Flores, the Company's Chairman and Chief Executive Officer, was entitled to reimbursement by Flame, on the Closing Date, of all of his reasonable, documented out-of-pocket fees and expenses for any agents, advisors, consultants, experts, independent contractors and financial advisors engaged on behalf of Holdco or Sable and incurred in connection with the transactions contemplated by the Merger Agreement and the Sable-EM Purchase Agreement, in each case, that were paid as of the Closing, subject to a cap equal to \$3.0 million. On the Closing Date, Mr. Flores was reimbursed \$2.9 million and the associated expense is included in general and administrative expenses on the unaudited condensed consolidated statement of operations for the period from February 14, 2024 through September 30, 2024 (Successor).

Agreement of Purchase and Sale

On October 3, 2024, the Company entered into an Agreement of Purchase and Sale ("PSA") with Sable Aviation, LLC ("Sable Aviation"), an entity controlled by the Company's Chairman and Chief Executive Officer. Pursuant to the terms of the PSA, the Company purchased transportation assets and related equipment from Sable Aviation in exchange for 600,000 shares of the Company's Common Stock, valued at \$15.2 million.

Note 6 — Debt

Senior Secured Term Loan

Sable entered into the Senior Secured Term Loan with an initial principal of \$625.0 million. The initial principal balance was increased by \$16.6 million for material and supplies and \$140.0 million for paid-in-kind interest from the effective date through the Closing Date less an \$18.8 million cash deposit (which was paid on the Closing Date). The proceeds of the Senior Secured Term Loan were deemed funded on the Closing Date in connection with consummation of the Sable-EM Purchase Agreement. The Senior Secured Term Loan bears interest at ten percent (10.0%) per annum (computed on a 360-day year). Unless Sable elects in writing prior to an applicable interest payment date to pay accrued but unpaid interest in cash, all such accrued and unpaid interest shall be compounded annually on January 1st of each year by adding the relevant amount to the then outstanding principal amount of the Senior Secured Term Loan ("paid-in-kind interest").

The Senior Secured Term Loan matures on the earliest to occur of (i) 12:00:01 a.m. (Central Time) on January 1, 2027 (ii) 90 days after Restart Production (i.e., 240 days after first production from the wells) as defined in the Sable-EM Purchase Agreement or (iii) acceleration of the Senior Secured Term Loan in accordance with its terms. On May 19, 2025, the

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Company announced that as of May 15, 2025, it had restarted production at SYU and begun flowing oil production from six wells at SYU's Platform Harmony to LFC. This action triggered acceleration of the term loan maturity date to 240 days after the production restart date, or January 9, 2026. Since the Senior Secured Term Loan is due in less than twelve months, it has been classified as a short-term debt obligation on the unaudited condensed consolidated balance sheet as of September 30, 2025.

Debt Covenants. The Senior Secured Term Loan, dated as of the Closing Date, by and among Sable, EM, as lender, and Alter Domus Products Corp., as the administrative agent for the benefit of the lender, requires that James C. Flores, our Chairman and Chief Executive Officer, remains directly and actively involved in the day-to-day management of our business, subject to the right of the holder of such indebtedness to approve his replacement, with such approval not to be unreasonably withheld.

Restrictive covenants in the Senior Secured Term Loan impose significant operating and financial restrictions on us and our subsidiaries and we may be prevented from taking advantage of business opportunities that arise because of the limitations imposed on us by the Senior Secured Term Loan unless we gain EM's consent. These restrictions limit our ability to, among other things: engage in mergers, consolidations, liquidations, or dissolutions; create or incur debt or liens; make certain debt prepayments; pay dividends, distributions, management fees or certain other restricted payments; make investments, acquisitions, loans, or purchase oil and gas properties; sell, assign, farm-out or dispose of any property; enter into transactions with affiliates; enter into, subject to certain exceptions, any agreement that prohibits or restricts liens securing the Senior Secured Term Loan, payments of dividends to us, or payment of debt owed to us and our subsidiaries; and change the nature of our business.

The Senior Secured Term Loan also contains representations and warranties, affirmative covenants, additional negative covenants and events of default (including a change of control). During the pendency of the Senior Secured Term Loan and in case of an event of default thereunder, EM may exercise all remedies at law or equity, and may foreclose upon substantially all of our assets and the assets of our subsidiaries, including, in the event of a deficiency, cash and any other assets not acquired from EM in the Business Combination to the extent constituting collateral under the applicable financing documents. We may not be able to obtain amendments, waivers or consents for potential or actual breaches of such representations and warranties or covenants, or we may be unable to obtain such amendments waivers or consents on acceptable terms, all of which could limit management's flexibility to operate the business.

Debt Amendments. On September 6, 2024 (the "First Amendment Closing Date"), the Company entered into an amendment to the Senior Secured Term Loan (the "First Debt Amendment"), pursuant to which, approximately \$4.6 million of additional principal (the "Additional Principal") was added to the outstanding principal amount of the Senior Secured Term Loan related to the termination of a vendor contract related to the SYU Assets that was not a liability assumed in the Business Combination. In accordance with the terms of the First Debt Amendment, the Additional Principal shall be deemed to have accrued interest as if such amount has been added to the outstanding principal amount of the Senior Secured Term Loan, on January 1, 2024 (the "Amendment Effective Date"). The Additional Principal and \$0.4 million associated paid-in-kind interest accrued for the period from the First Amendment Effective Date through the First Amendment Closing Date (collectively, the "Effective Additional Principal") was added to the outstanding principal amount of the Senior Secured Term Loan on the Amendment Closing Date and was accounted for as an exit cost under the scope of FASB ASC Topic 420, *Exit or Disposal Cost Obligations* ("ASC 420"). As a result, the Effective Additional Principal is included within Other (income) expense on the Company's unaudited condensed consolidated statement of operations for the three months ended September 30, 2024 (Successor) and for the period from February 14, 2024 through September 30, 2024 (Successor).

On November 3, 2025, the Company and Exxon entered into an amendment (the "Second Debt Amendment") to the Senior Secured Term Loan. The Second Debt Amendment will become effective upon the satisfaction of certain conditions, including the Company receiving equity contributions in an amount of no less than \$225.0 million, net of underwriting fees and other transaction costs and expenses, and other customary closing conditions. The Second Debt Amendment, once effective, will extend the maturity date of the Senior Secured Term Loan to the earlier of (i) March 31, 2027 or (ii) 90 days after first sales of Hydrocarbons (as defined in the Senior Secured Term Loan). The Second Debt Amendment, once effective, will increase the interest rate from ten percent (10%) per annum to fifteen percent (15%) per annum, compounded annually, payable in arrears on January 1st of each year. At the Company's election, accrued but unpaid interest may be deemed paid on each interest payment date by adding the amount of interest owed to the outstanding principal (paid-in-kind) amount under the Senior Secured Term Loan. The Second Debt Amendment will also include additional reporting covenants and a financial liquidity covenant that will require the Company to have not less than \$25.0

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million in unrestricted cash, measured at the end of each month. There is no guarantee that the Company will be able to satisfy the necessary conditions to effect the Second Debt Amendment.

Debt consisted of the following as of:

<i>(in thousands)</i>	September 30, 2025	December 31, 2024
Senior Secured Term Loan, including paid-in-kind interest	\$ 896,727	\$ —
Less: Debt issuance costs, net	(156)	—
Total short-term debt, net	896,571	—
Senior Secured Term Loan, including paid-in-kind interest	—	834,165
Less: Debt issuance costs, net	—	(623)
Total long-term debt, net	\$ —	\$ 833,542

For the three and nine months ended September 30, 2025 (Successor), the three months ended September 30, 2024 (Successor) and for the period from February 14, 2024 through September 30, 2024 (Successor), the Company incurred interest expense of \$21.0 million, \$63.0 million, \$19.2 million and \$48.1 million, respectively, which is included as interest expense on the unaudited condensed consolidated statements of operations and the paid-in-kind interest is accrued and included in the Senior Secured Term Loan on the unaudited condensed consolidated balance sheets as of September 30, 2025 and December 31, 2024. For the three and nine months ended September 30, 2025 (Successor), the three months ended September 30, 2024 (Successor) and for the period from February 14, 2024 through September 30, 2024 (Successor), the Company's effective interest rate on the Senior Secured Term Loan was approximately 10.0%.

Note 7 — Warrants

There were 8,987,062 warrants outstanding as of September 30, 2025 and December 31, 2024. There were no changes in the number of warrants outstanding for the three and nine months ended September 30, 2025 (Successor). The table below reflects warrant activity since the Closing:

	Public Warrants	Private Placement Warrants	Working Capital Warrants	Total
Outstanding Warrants as of February 14, 2024	14,374,971	7,750,000	—	22,124,971
Issued	—	—	3,306,370	3,306,370
Transferred	1,609,564	(1,609,564)	—	—
Exercised	(15,957,820)	(459,744)	—	(16,417,564)
Redemptions	(26,715)	—	—	(26,715)
Outstanding Warrants as of September 30, 2025 and December 31, 2024	—	5,680,692	3,306,370	8,987,062

Public Warrants

As described in *Note 1 — Organization, Business Operations, and Going Concern*, all of the Public Warrants were either exercised or redeemed during the period from February 14, 2024 through December 31, 2024 (Successor). The Public Warrants were only exercisable for a whole number of shares prior to their redemption and no fractional shares were issued upon exercise of the Public Warrants. The Public Warrants became exercisable 30 days after the completion of the Business Combination.

Redemption of Warrants For Cash—Prior to the Redemption Date (defined below), the Company was able to redeem the outstanding Public Warrants for cash:

- in whole and not in part;
- at a price of \$0.01 per Public Warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the last sale price of our Common Stock equals or exceeds \$18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

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On October 3, 2024, the conditions under which the Public Warrants could be redeemed for cash were satisfied and the Company announced that it would redeem all of the Public Warrants that remained outstanding after 5:00 p.m. New York City time on November 4, 2024 (the “Redemption Date”), for a redemption price of \$0.01 per warrant (the “Redemption”).

During the period from February 14, 2024 through December 31, 2024 (Successor), warrant holders exercised 15,957,820 Public Warrants for 15,957,820 shares of Common Stock resulting in approximately \$183.5 million in cash proceeds to the Company. The remaining 26,715 Public Warrants that were not exercised by the Redemption Date were redeemed by the Company for cash. Prior to their exercise/redemption, the Public Warrants were accounted for as a derivative liability and carried on the unaudited condensed consolidated balance sheets at fair value. Upon exercise, the fair value of the derivative liability was reclassified to stockholders’ equity in accordance with FASB ASC Topic 480, *Distinguishing Liabilities from Equity* (“ASC 480”).

Private Placement Warrants and Working Capital Warrants

The Company will not be obligated to deliver any shares of Common Stock pursuant to the exercise of a Private Placement Warrant or Working Capital Warrant and will have no obligation to settle such exercise unless a registration statement under the Securities Act with respect to the shares of Common Stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration, or a valid exemption from registration is available. No warrant will be exercisable, and the Company will not be obligated to issue a share of Common Stock upon exercise of a warrant unless the share of Common Stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants.

On the Closing Date, the Company filed with the SEC a registration statement for the registration, under the Securities Act, of the shares of Common Stock issuable upon exercise of the warrants, which the SEC declared effective on May 10, 2024. The Company will use its commercially reasonable efforts to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the exercise or expiration of the warrants in accordance with the provisions of the warrant agreement. In addition, if the shares of Common Stock are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a “covered security” under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of the Private Placement Warrants or Working Capital Warrants who exercise their warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company elects to do so, the Company will not be required to file or maintain in effect a registration statement, but it will use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

The Private Placement Warrants, the Working Capital Warrants, and the shares of Common Stock issuable upon the exercise of such warrants were not transferable, assignable or salable until 30 days after the Closing Date, subject to certain limited exceptions, and are entitled to registration rights. Additionally, the Private Placement Warrants and Working Capital Warrants are exercisable on a cashless basis and non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants or Working Capital Warrants are held by someone other than the initial purchasers or their permitted transferees, such warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants. In the event that the holder of a Private Placement Warrant or a Working Capital Warrant elect to exercise on a cashless basis, each holder would pay the exercise price by surrendering the warrants for that number of shares of Common Stock equal to (A) the quotient obtained by dividing (x) the product of the number of shares of Common Stock underlying the warrants, multiplied by the excess of the “fair market value” less the exercise price of the warrants by (y) the fair market value. The “fair market value” shall mean the volume weighted average price of the shares of Common Stock for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent. Additionally, in no event will the Company be required to net cash settle the Private Warrants or Working Capital Warrants upon exercise.

During the period from February 14, 2024 through December 31, 2024 (Successor), warrant holders exercised 459,744 Private Placement Warrants on a cashless basis for 212,637 shares of Common Stock. These exercises were accounted for in accordance with ASC 480 in the same manner as exercises of Public Warrants described above. There were no Private Placement warrants exercised during the three and nine months ended September 30, 2025 (Successor).

The Private Placement Warrants and Working Capital Warrants that remain outstanding as of September 30, 2025 and December 31, 2024 are accounted for as liabilities and marked-to-market at each reporting period, with changes in fair value included as Changes in fair value of warrant liabilities in the Successor’s unaudited condensed consolidated statements of operations (refer to *Note 11 — Fair Value Measurements*).

Note 8 — Commitments and Contingencies

Registration Rights

The holders of the Founder Shares (defined below), Private Placement Warrants and Working Capital Warrants (and any shares of Common Stock issuable upon the exercise of such instruments) are entitled to registration rights pursuant to a registration rights agreement. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain “piggy-back” registration rights with respect to registration statements filed subsequent to the completion of a Business Combination. However, the registration rights agreement provides that the Company will not permit any registration statement filed under the Securities Act to become effective until termination of the applicable lockup period. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Grey Fox Matter

On March 26, 2024, Sable entered into a Stipulation and Agreement of Settlement (the “Settlement Agreement”) among (i) Grey Fox, LLC, MAZ Properties, Inc., Bean Blossom, LLC, Winter Hawk, LLC, Mark Tautrim, Trustee of the Mark Tautrim Revocable Trust, and Denise McNutt, on behalf of themselves and the Court-certified Settlement Class (the “Plaintiffs and Settlement Class Members”), (ii) Pacific Pipeline Company (“PPC”) and (iii) Sable, with respect to the settlement and release of certain claims related to the Pipelines, including claims impacting the right of way for the Pipelines (collectively, the “Released Claims”).

Pursuant to the terms of the Settlement Agreement, (i) the Plaintiffs and Settlement Class Members are obligated to, among other things, (a) release Sable, PPC and the other released parties from and against the Released Claims, (b) grant certain temporary construction easements to facilitate the repair of certain portions of the Pipelines, and (c) cooperate in good faith with Sable and PPC with respect to any and all steps reasonably required to restart the Pipelines and operate them thereafter, including obtaining all necessary regulatory approvals, consistent with the requirements of the relevant government agencies and the Consent Decree issued by the United States District Court for the Central District of California in relation to Civil Action No. 2:20-cv-02415 (United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.) and (ii) Sable has agreed to among other things, (a) pay \$35.0 million into an interest-bearing non-reversionary Qualified Settlement Fund, and (b) deliver to class counsel an irrevocable direct pay letter of credit issued by J.P. Morgan & Co. or another federally insured bank in the amount of \$35.0 million to secure Sable’s obligation to make certain payments under the Settlement Agreement. The Company expensed \$70.0 million upon the effectiveness of the Settlement Agreement, which is included in general and administrative expenses on the unaudited condensed consolidated statement of operations for the period from February 14, 2024 through September 30, 2024 (Successor).

On May 1, 2024, the United States District Court for the Central District of California entered an order granting preliminary approval of the Settlement Agreement, and thus, on May 9, 2024, the Company made the initial \$35.0 million payment into the Qualified Settlement Fund and delivered the \$35.0 million Letter of Credit to plaintiffs’ counsel. On September 17, 2024, the court approved the Settlement Agreement in full. On September 30, 2025, the Plaintiffs submitted a draw statement on the irrevocable direct pay letter of credit in the amount of \$35.0 million, and the Company paid the Plaintiffs directly the interest owed. On July 7, 2025, in accordance with the Settlement Agreement, J.P. Morgan & Co. processed the \$35.0 million draw statement and wired the funds to Plaintiffs pursuant to the Letter of Credit. J.P. Morgan & Co. subsequently accepted the \$35.0 million restricted cash as settlement in full of the obligations created by the draw of the Letter of Credit, all as contemplated by the Settlement Agreement.

California Coastal Commission Matter

On September 27, 2024, the California Coastal Commission (the “Coastal Commission”) issued Notice of Violation No. V-9-24-0152 to Sable, which asserted that Sable’s safety valve installation work and certain maintenance and repair activities undertaken by Sable on the Pipelines in the California coastal zone (the “Coastal Zone”) to address anomalies and install safety valves constituted unpermitted development activities under the California Coastal Act (Cal. Pub. Res. Code Section 30000, et seq.) (the “Coastal Act”) and the County’s Local Coastal Program (“LCP”). Sable undertook the subject repair and maintenance work, including the safety valve installation work, based on its understanding that no new coastal development permit or other Coastal Act authorization was required, consistent with the County’s practice of authorizing repair work on the Pipelines since they were first permitted and built over 30 years ago. Following good faith negotiations with Coastal Commission staff, on November 12, 2024, the Coastal Commission issued Executive Director Cease and Desist Order No. ED-24-CD-02 (the “Order”) requiring Sable to, among other requirements, prepare and submit an interim restoration plan and submit an application either to the Coastal Commission or the County to obtain a coastal development permit for the valve installation and other maintenance and repair work. In compliance with the Order, Sable prepared,

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submitted, and implemented the Interim Restoration Plan as approved by Coastal Commission staff. Sable separately submitted certain applications to the County related to some of the maintenance and repair work that was subject to Notice of Violation No. V-9-24-0152. The Order expired on February 10, 2025.

On February 12, 2025, the County delivered a letter to Sable confirming that certain Pipeline anomaly maintenance and repair work referenced in the Coastal Commission's Notice of Violation V-9-24-0152 was "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 letter states in part that "[t]he 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." Sable subsequently recommended the repair and maintenance activities which were subject to Notice of Violation V-9-24-0152.

In addition, also on February 12, 2025, the County delivered a letter to the Coastal Commission. In this letter, the County responded to a request by the Coastal Commission to consent to a consolidated coastal development permit process for certain activities undertaken and planned by Sable on the Pipelines. The County's letter also stated that certain maintenance and repair work on the Pipelines that was referenced in the Coastal Commission's Notice of Violation V-9-24-0152 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. Thus, no further application to or action by the County is required."

On February 14, 2025, Sable submitted a written response to the Coastal Commission's Notice of Violation V-9-24-0152 detailing that, consistent with the County's letters, certain of the alleged unpermitted development subject to the Notice of Violation was previously approved and that no further coastal development permit is required.

On February 18, 2025, Sable filed a complaint against the Coastal Commission in the Superior Court of the State of California for the County of Santa Barbara (Case No. 25CV00974). In the complaint, Sable challenges the Coastal Commission's prior Notices of Violations and Executive Director Cease and Desist Order as procedurally improper and asserts that the Coastal Commission lacks authority to prohibit work authorized by existing permits. Sable seeks a declaration that the Coastal Commission's actions are unlawful, an injunction prohibiting further enforcement actions by the Coastal Commission, damages for the alleged taking of property rights, and attorneys' fees and costs. The Coastal Commission proceeded to issue an Executive Director Cease and Desist Order to Sable on February 18, 2025, related to certain of Sable's pipeline repair and maintenance activities and safety valve installation work.

On April 10, 2025, the Coastal Commission approved Cease and Desist Order CCC-25-CD-01, Restoration Order CCC-25-RO-01, and Administrative Penalty Order CCC-25-AP3-01, whereby the Coastal Commission ordered the Company to cease and desist from all ongoing development in the Coastal Zone "as part of the effort to restart the Santa Ynez Unit oil production operations and bring the pipelines back into use," apply for new Coastal Act authorization for all previously completed, ongoing, and future development in the Coastal Zone to the extent "part of the effort to restart the Santa Ynez Unit oil production operations and bring the pipelines back into use," and imposed an administrative penalty of approximately \$18.0 million on the Company. The Company does not believe this penalty is lawful and has not recognized any accrued expense for the three and nine months ended September 30, 2025 (Successor). Sable is prepared to vigorously pursue all available legal remedies related to the orders, including the administrative penalty, imposed by the Coastal Commission.

On April 16, 2025 the Coastal Commission filed a request in the Santa Barbara County Superior Court for a temporary restraining order against the Company to restrain the Company from violating the Cease and Desist Order CCC-25-CD-01 and to halt repair and maintenance activities on the Pipelines within the Coastal Zone. The request was filed within the Company's ongoing litigation against the Coastal Commission (Case No. 25CV00974). On April 17, 2025, the court denied the Coastal Commission's request for a temporary restraining order and set the matter for further hearing on May 14, 2025, which date was later continued to May 28, 2025.

On April 22, 2025, counsel for the Coastal Commission filed a Petition for Stay, Writ of Supersedeas, or Other Appropriate Order, and Request for Temporary Stay with the Second Division California Court of Appeal, seeking a temporary stay of the Santa Barbara County Superior Court's denial of the Coastal Commission's request for a TRO and an order requiring Sable to comply with the cease and desist order. Sable filed an Opposition to the Coastal Commission's Petition with the Court of Appeal on April 28, 2025. On May 15, 2025, the Court of Appeal denied the Coastal Commission's request for a temporary stay.

On May 28, 2025, the court granted the Coastal Commission's application for issuance of a preliminary injunction, enjoining Sable from conducting any further "development" in violation of Cease and Desist Order CCC-25-CD-01. On

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July 9, 2025, the court denied Sable's motion to stay the Cease and Desist Order CCC-25-CD-01. On July 16, 2025, Sable filed a notice of appeal of challenging the court's issuance of preliminary injunction. On July 29, 2025, counsel for Sable filed a Petition for Writ of Mandate or Other Appropriate Relief with the Second Division California Court of Appeal, seeking a writ of mandate reversing the Santa Barbara County Superior Court's denial of Sable's motion to the stay Cease and Desist Order CCC-25-CD-01. On August 4, 2025, the Court of Appeal denied Sable's Petition for Writ of Mandate. Sable's opening brief, reporter transcript and appendix of actions are due to be submitted to the Court of Appeal by November 14, 2025. On October 6, 2025, Sable filed a motion to file an amended complaint which quantifies its monetary damages in excess of \$347.0 million. On October 15, 2025, the Santa Barbara County Superior Court denied the Company's request for the issuance of a writ of mandate on its first cause of action and set procedural motions related to Sable's four additional causes of action for December 3, 2025. On November 5, 2025, Sable filed its opening brief in support of its appeal challenging the Superior Court's issuance of the preliminary injunction. Sable also filed a Petition for Writ of Mandate or Other Appropriate Relief, seeking a writ of mandate reversing the Superior Court's October 15, 2025, denial of Sable's first cause of action.

Zaca Preserve Matter

On October 3, 2024, plaintiff Zaca Preserve LLC filed a California state court complaint against Sable, its subsidiary PPC, Plains All American Pipeline LP, and Plains Pipeline LP. The case is captioned 24CV05483 and is pending in Santa Barbara Superior Court, Anacapa Division. The plaintiff filed a First Amended Complaint on December 12, 2024, and served the complaint on Sable and PPC on December 18, 2024.

The plaintiff was a class member of the Grey Fox litigation that was settled effective September 17, 2024, and chose to opt out of the final settlement class. The plaintiff raises claims similar to the Grey Fox plaintiffs, namely that the pipeline easement on its property is no longer valid in light of the 2015 Refugio oil spill and the conduct of defendants. The plaintiff brings contract and tort claims and seeks declaratory and injunctive relief determining his easement terminated and prohibiting defendants from accessing or using his easement to restart pipeline operations. The plaintiff seeks compensatory, exemplary, and statutory damages, costs, attorneys' fees, and interest, as well as declaratory and injunctive relief. By stipulation, Sable and PPC's deadline to respond to the First Amended Complaint was March 4, 2025. Sable and PPC timely filed and served their Demurrer to the Plaintiff's First Amended Complaint and Sable filed and served a Motion to Strike the First Amended Complaint. The Demurrer and Motion to Strike are set for hearing in November 2025. Sable and PPC intend to defend the case vigorously.

BSEE Matter

On June 27, 2024, the Center for Biological Diversity and the Wishtoyo Foundation filed a complaint against Debra Haaland, Secretary of the U.S. Department of the Interior; the Bureau of Safety and Environmental Enforcement ("BSEE"); and Bruce Hesson, BSEE Pacific Regional Director in the U.S. District Court for the Central District of California (Case No. 2:24-cv-05459). Sable intervened and vigorously contests the plaintiffs' allegations. In the plaintiffs' amended complaint, they allege that BSEE: violated the National Environmental Policy Act ("*NEPA*"), the Outer Continental Shelf Lands Act ("*OCSLA*"), and the Administrative Procedure Act ("*APA*") in November 2023 by approving an extension to resume operations associated with the 16 oil and gas leases Sable holds in the SYU in federal waters offshore of California in the Santa Barbara Channel; and violated NEPA and the APA in September 2024 by approving applications for permits to modify for well reworking operations and by failing to conduct supplemental environmental analysis for oil and gas development and production in the SYU. The complaint asks for the court: to issue an order finding that BSEE violated NEPA, OCSLA and the APA; to vacate and remand the extension and the applications for permits to modify; to order BSEE to complete NEPA analysis by a date certain; to prohibit BSEE from authorizing further extensions, applications for permits to modify, or any other authorizations for resuming production until it complies with NEPA, OCSLA and the APA; and for an award of costs and attorneys' fees. Sable believes that the government's prior extensions to resume operations were both appropriate and authorized and independently that subsequent actions, including a May 28, 2025 Environmental Assessment relied on by BSEE and a May 29, 2025 decision by BSEE approving the extension, render plaintiffs' claims moot. On September 24, 2025, the court denied cross-motions for summary judgment by all parties. On November 7, 2025, the court approved a new scheduling order that provides for an amended complaint, the filing by the federal government of an updated administrative record by December 19, 2025, and a hearing on disputes over completeness of or for leave to seek discovery related to the administrative record on March 13, 2026.

BOEM Matter

On April 2, 2025, the Center for Biological Diversity and the Wishtoyo Foundation filed a complaint against Doug Burgum, Secretary of the U.S. Department of the Interior; the Bureau of Ocean Energy Management ("*BOEM*"); and Douglas Boren, BOEM Pacific Regional Director, in the U.S. District Court for the Central District of California (Case No. 2:25-cv-02840). On May 12, 2025, plaintiffs filed an amended complaint in which plaintiffs challenge BOEM's April 2025

decision determining that Sable is not required to revise the development and production plan for Platform Harmony in the SYU. The amended complaint asks for the court: to issue an order finding that BOEM's decision was not in accordance with OCSLA and violated the APA; order BOEM to require revision of the development and production plan for Platform Harmony; prohibit BOEM from authorizing new oil and gas drilling activity at the SYU unless and until revision of the development and production plan is complete; and for an award of costs and attorneys' fees. Sable intervened and vigorously contests the plaintiffs' allegations. On September 10, 2025, the court denied Sable's motion to dismiss based on plaintiffs' failure to provide notice under OCSLA's citizen suit provision. The court approved a scheduling order that provides for a hearing on cross-motions for summary judgment on May 15, 2026.

Regional Water Quality Control Board and Department of Fish and Wildlife Matters

On December 13, 2024, the California Central Coast Regional Water Quality Control Board ("Water Board") issued three letters to the Company related to the Pipelines: (i) a Notice of Violation for an alleged unauthorized discharge of waste to waters of the state at an ephemeral stream in Santa Barbara County; (ii) a Directive to obtain regulatory coverage for an alleged unauthorized discharge of waste to waters of the state at the same ephemeral stream identified in item (i); and (iii) a First Notice of Non-Compliance for an alleged failure to obtain coverage under the Water Board's General Permit for Construction Stormwater Discharges in Santa Barbara, San Luis Obispo, and Kern Counties.

On December 17, 2024, the California Department of Fish and Wildlife ("CDFW") issued a Notice of Potential Violation to Sable for alleged violations of the California Fish and Game Code at four separate sites within Santa Barbara County and San Luis Obispo County in California for alleged placement or fill of waste to waters.

On January 10, 2025, Sable submitted a written response to the Water Board's December 2024 letters. On January 13, 2025, Sable submitted a written response to CDFW's December 2024 Notice of Potential Violation. On January 22, 2025, the Water Board issued two additional letters to Sable related to the Pipelines: (i) a Second and Final Notice of Non-Compliance for an alleged failure to obtain coverage under the Water Board's General Permit for Construction Stormwater Discharges in Santa Barbara, San Luis Obispo, and Kern Counties; and (ii) an order requiring Sable to submit a technical report associated with the discharge of earthen material to waters of the state.

On January 31, 2025, Sable submitted an application to the Water Board for regulatory coverage for the alleged discharge of waste to waters of the state at the location identified in the Water Board's December 13, 2024, Notice of Violation, and coverage was approved and issued by the Water Board on March 20, 2025. On February 18, 2025, Sable submitted an application to CDFW for the same site, that application was deemed complete in March 2025, and work at the site was approved to proceed in May 2025. On February 21, 2025, the Company submitted a written response to the Water Board's Second and Final Notice of Non-Compliance. On March 7, 2025, Sable submitted its initial responses to the Water Board's order requiring Sable to submit a technical report, and on April 15, 2025, the Company submitted a supplemental response, that Sable committed to provide in its March initial response.

Sable submitted after-the-fact permitting applications to the Water Board and CDFW with respect to potential discharges at the four sites identified in CDFW's December 2024 notice during the first two weeks of March 2025. The Water Board provided responses and requests for additional information in April 2025, to which the Company provided supplemental information on April 25, 2025. These sites were fully permitted by the Water Board in June 2025 and by CDFW as of September 2025.

On April 15, 2025, the Water Board issued a second Notice of Violation to the Company for an alleged failure to provide a sufficient response to the Water Board's request for a technical report and continued allegations of unauthorized discharges. On that same day, the Company submitted to the Water Board further responses and additional information in response to the Water Board's request for a technical report, in which the Company identified additional sites that may require after-the-fact permitting. On April 17, 2025, the Water Board issued Resolution R3-2025-0024, which referred any assessment of civil liability, injunctive and declaratory relief against the Company for its alleged violations of the California Water Code to the California Attorney General via the California Superior Court. After the issuance of Resolution R3-2025-0024, the Company continued to work with the Water Board and CDFW to identify locations and submit additional after-the-fact permit applications. On July 24, 2025, the Water Board issued a third Notice of Violation, requiring the Company to provide additional information in order to satisfy the request for a technical report, to which the Company timely responded on August 13, 2025 with all requested information. As of November 11, 2025, the Water Board and CDFW have each issued permits for five locations identified by the Water Board, CDFW, and the Company. Nine additional locations (for a total of 14) are awaiting final approvals from both the Water Board and CDFW. Based on the information provided by Sable in response to the Notices of Non-Compliance associated with the Water Board's General Permit for Construction Stormwater Discharges, the Water Board is not further requiring Sable to obtain coverage under that permit for the work performed.

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On September 16, 2025, the Santa Barbara County District Attorney's office filed a criminal Complaint in Santa Barbara County Superior Court, with 21 Counts being pursued (sixteen (16) misdemeanors and five (5) felonies) for alleged violation of the California Fish & Game Code and Water Code. The Complaint references some of the 14 locations where the Company has already sought after-the-fact permitting from the Water Board and CDFW, but also includes other locations where neither the Water Board nor the CDFW are requiring any further action or permitting. The Company has retained counsel for defense. On October 3, 2025, the Water Board filed a civil action in Santa Barbara County Superior Court alleging that the Company failed to secure permits at the 14 locations prior to undertaking the work, though the Complaint also notes the Company's after-the-fact permitting efforts. The Complaint also alleges failure to comply with the request for a technical report. The Water Board is seeking civil penalties and potentially limited injunctive relief.

County Permit Transfer Matter

In October 2024, the County of Santa Barbara's Planning Commission approved the transfer of the Final Development Permits for the SYU, POPCO Facility and Pipelines from Exxon and certain of its subsidiaries to the Company and its subsidiaries, PPC and POPCO, pursuant to Santa Barbara County Code Chapter 25B. That approval was appealed by various environmental advocacy groups to the Board of Supervisors. On February 25, 2025, the Board of Supervisors heard the appeals but, despite a County staff recommendation to reject them, did not decide them, splitting 2-2 in a tie vote. As the appeals did not reverse the Planning Commission's decision, the Company thereafter sought the permit transfers from the County, but was unsuccessful.

On May 8, 2025, the Company, its subsidiaries, PPC and POPCO, and Exxon and certain of its subsidiaries filed suit against the County of Santa Barbara and Board of Supervisors seeking a writ of mandamus directing Santa Barbara County to issue updated Final Development Permits reflecting the Sable plaintiffs as holders thereof, for declaratory relief finding that the County's Chapter 25B ordinances violate the 5th and 14th amendments and Supremacy Clause of the Constitution and for damages. On September 12, 2025, after hearing, the court issued an order of mandate requiring that "within 60 days of service of the writ of mandate on the Board, hold a de novo public hearing to affirm, reverse, or modify the Planning Commission's decision regarding Petitioners/Plaintiffs' Final Development Permit applications in this action in compliance with Santa Barbara County Code Chapter 25B-8, 9, and 10. If the Board is unable to reach a vote that affirms, reverses, or modifies the Planning Commission's decision, the Board shall hold another de novo public hearing within 45 days, and if unable again, every 45 days thereafter." The County set a hearing in this matter pursuant to the writ of mandate for November 4, 2025, and at that hearing the Board voted to continue the hearing until December 16, and directed County Staff to prepare findings that would grant the appeals and deny the transfer of the permits to Sable for consideration at that hearing. The litigation has been stayed pending the final action at the Board of Supervisors' re-hearing, after which the matter will return to federal court.

Johnson Class Action / Kelly Derivatives Claim

On July 28, 2025, shareholder Tracy Johnson filed a putative class action complaint against the Company in the U.S. District Court for the Central District of California, captioned Johnson v. Sable Offshore Corp., et al., Case No. 2:25-cv-06869 (C.D. Cal.). The complaint alleged violations of Sections 10(b) and 20(a) of the Exchange Act of 1934 and Sections 11, 12(a)(2), and 15 of the Securities Act of 1933, on behalf of a putative class of investors who purchased or acquired Sable's publicly traded securities between May 19, 2025 and June 3, 2025, when the Company engaged in a public offering, and/or pursuant and/or traceable to the offering. The complaint named as defendants the Company, certain of its officers, and the underwriters in the offering.

On October 27, 2025, the Court appointed a lead plaintiff. On November 10, 2025, the lead plaintiff filed an amended complaint purportedly on behalf of persons or entities who purchased or otherwise acquired publicly traded Sable securities between May 19, 2025 and November 4, 2025. The amended complaint drops the claims under the Securities Act of 1933 and drops the underwriters as defendants. The amended complaint alleges, among other things, that the Company and certain of its officers made false and misleading statements or failed to disclose certain information regarding the Company's business activities at the Santa Ynez Unit. The plaintiffs seek damages, costs, expenses, expert and attorneys' fees, and other unspecified relief. Motions to dismiss are due on November 24, 2025, and a hearing on any motions to dismiss will be held on January 5, 2026. The Company intends to vigorously defend against the claims in this lawsuit.

On August 21, 2025, shareholder Bryce Kelly filed a verified shareholder derivative complaint, purportedly on behalf of the Company, in the U.S. District Court for the Central District of California, captioned Kelly v. Flores, et al., Case No. 2:25-cv-07848 (C.D. Cal.). The complaint names as defendants the members of the Board of Directors of the Company, certain officers of the Company, and the underwriters of the Company's May 2025 public offering. The complaint alleges claims for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment, waste of corporate assets, contribution under Section 10(b) and 21D of the Exchange Act of 1934, and contribution under Section 11(f) of the

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Securities Act of 1933, based on similar factual allegations to those at issue in the Johnson case. The case is at a preliminary stage.

CalGem

On May 9, 2025, the California Department of Conservation’s Geologic Energy Management Division (“CalGEM”) issued a letter to the Company asserting that the Company must post a bond of approximately \$31.9 million, submit certain oil spill contingency response and management plans for CalGEM’s review, and indicating that the failure to timely respond could result in civil penalties of up to \$50,000 per day/per violation. Sable disputes that CalGEM possesses jurisdiction to impose those requirements.

California Senate Bill 237

On September 13, 2025, the California Legislature passed Senate Bill 237 (“SB 237”). On September 19, 2025, Governor Gavin Newsom signed SB 237 into law. SB 237 added Section 51014.1 to the California Government Code, which requires that an “existing oil pipeline ... that has been idle, inactive, or out of service for five years or more, shall not be restarted without passing a spike hydrostatic testing program.” SB 237 also amends Section 30262 of the California Coastal Act to provide that the “[r]epair, reactivation, [] maintenance,” or “[d]evelopment associated with the repair, reactivation or maintenance of an oil pipeline that has been idled, inactive or out of service for five years or more” must obtain a “new coastal development permit.”

On September 29, 2025, Sable filed a Complaint for Declaratory Relief against the State of California in Kern County Superior Court seeking a declaratory judgment that the Onshore Pipeline is not subject to SB 237 because the Onshore Pipeline is not “idle, inactive, or out of service,” and because the Legislature did not give SB 237 retroactive effect. Sable intends to vigorously prosecute the action.

Office of State Fire Marshal Matters

On December 17, 2024, the California Office of the State Fire Marshal (“OSFM”) approved Sable’s implementation of enhanced pipeline integrity standards for the Pipelines by granting state waivers of certain regulatory requirements (“State Waivers”) related to cathodic protection and seam weld corrosion for the Pipelines.

On February 11, 2025, Pipeline and Hazardous Materials Safety Administration (“PHMSA”) notified the OSFM that PHMSA does not object to OSFM’s granting of the State Waivers.

Two lawsuits have been filed against OSFM (as Defendant) and Sable and PPC (as Real Parties in Interest) challenging OSFM’s issuance of the State Waivers. On April 15, 2025, the Center for Biological Diversity and the Wishtoyo Foundation filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief alleging that OSFM violated federal and state pipeline safety laws and the California Environmental Quality Act (“CEQA”) in issuing the State Waivers. The Environmental Defense Center, Get Oil Out!, Santa Barbara County Action Network, Sierra Club, and Santa Barbara Channelkeeper also filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief against OSFM against OSFM (as Defendant) and Sable and PPC (as Real Parties in Interest) alleging similar claims. Both groups of Petitioners seek a court order declaring the State Waivers void and directing OSFM to vacate and set aside the State Waivers until OSFM complies with its obligations under federal and state pipeline safety laws and CEQA. A hearing was held on July 18, 2025, and on July 29, 2025, the court entered an order granting petitioners’ application for issuance of preliminary injunction in part, ruling that, absent further order of the court, Sable may resume petroleum transportation through the Onshore Pipeline 10 court days after Sable files notice that Sable has received all necessary approvals and permits for such resumption. The court clarified that Sable is not prevented from taking steps toward restarting the Onshore Pipeline, and that OSFM is not prevented from taking steps it finds appropriate in its regulatory capacity with respect to Sable’s Restart Plans as contemplated by the federal Consent Decree.

Sable and PPC intend to defend both cases vigorously.

On October 22, 2025, OSFM sent a letter to Sable alleging deficiencies in the Company’s compliance with the State Waivers. Sable strongly disagrees with the allegations, which are inconsistent with the plain language and numerous discussions with OSFM experts confirming that Sable was in compliance with the State Waivers. Sable provided its initial response to the OSFM on October 23, 2025, setting forth the Company’s objections to OSFM’s new interpretation of the State Waiver conditions, and plans to supplement its initial response. Refer to the Company’s 8-K filed on October 24, 2025 for more information.

Note 9 — Stockholders' Equity (Successor)

Preferred Stock — The Company is authorized to issue a total of 1,000,000 shares of preferred stock at par value of \$0.0001 each. As of September 30, 2025 and December 31, 2024, there were no shares of preferred stock issued or outstanding.

Common Stock — The Company is authorized to issue a total of 500,000,000 shares of Common Stock at par value of \$0.0001 each. As of September 30, 2025 and December 31, 2024, there were 99,507,250 and 89,310,996 shares issued and outstanding, respectively.

The following summarizes the shares of Common Stock outstanding immediately following the consummation of the Business Combination:

	Shares
Public stockholders	5,953,859
Initial stockholders	7,187,500
Merger consideration shares	3,000,000
First PIPE Investment	44,024,910
Total shares outstanding at close	<u>60,166,269</u>

Note: Table excludes Private Placement Warrants, Working Capital Warrants convertible into Common Stock, 5,070,524 shares of equity classified stock awards that were granted under the Company's Incentive Plan after the Closing, net of forfeitures.

Founders Shares. 7,187,500 shares of Common Stock held by the initial stockholders ("Founders Shares") are not transferable, assignable or salable (except to our officers and directors and other persons or entities affiliated with the Sponsor, each of whom will be subject to the same transfer restrictions) until the earlier of (A) February 13, 2025 or (B) subsequent to February 14, 2024, (x) if the last sale price of our Common Stock equals or exceeds \$12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after February 14, 2024, or (y) the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of our stockholders having the right to exchange their shares of Common Stock for cash, securities or other property (such restrictions on transfer, the "Restrictions"). The stock performance conditions described in (B) above were satisfied on August 9, 2024 and, accordingly, the Restrictions no longer apply to the Founder Shares.

Equity Issuance. On September 26, 2024, the Company issued 7,500,000 shares of Common Stock for \$150.0 million in gross proceeds in connection with the Second PIPE Investment. Upon the closing of the Second PIPE Investment, an associated marketing and legal fees of approximately \$7.8 million, was paid in full, and was recognized as an offset to the proceeds from the Second PIPE investment within Additional paid-in capital in the unaudited condensed consolidated balance sheets and statements of stockholders' equity (deficit)/net parent investment as of September 30, 2025 and December 31, 2024, respectively.

On May 23, 2025, the Company closed an upsized underwritten public offering of 10,000,000 shares of Common Stock at the public offering price of \$29.50 per share. Upon the closing of the 2025 Offering, associated marketing fees and legal fees of approximately \$12.4 million were incurred, and were recognized as an offset to the proceeds from the 2025 Offering within Additional paid-in capital in the unaudited condensed consolidated balance sheet and statement of stockholders' equity (deficit)/net parent investment as of September 30, 2025. The Company intends to use the approximately \$282.6 million of net proceeds from the 2025 Offering for capital expenditures, working capital purposes and general corporate purposes.

Transportation Assets. As discussed in *Note 5 — Related Party Transactions*, on October 3, 2024, the Company purchased transportation assets and related equipment in exchange for 600,000 shares of the Company's Common Stock, valued at \$15.2 million.

Warrants Exercised. During the period from February 14, 2024 through December 31, 2024 (Successor), warrant holders exercised 15,957,820 Public Warrants for 15,957,820 shares of Common Stock resulting in approximately \$183.5 million in cash proceeds to the Company. Additionally, 459,744 Private Placement Warrants were exercised on a cashless exercise basis for 212,637 shares of Common Stock. Refer to *Note 7 — Warrants* for further discussion of warrant related activities.

Note 10 — Share Based Compensation

On February 12, 2024, the Company's stockholders approved a share based compensation plan (the "Incentive Plan") to enhance the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing these individuals with equity ownership opportunities and/or equity-linked compensatory opportunities. The Predecessor had no equity compensation plans or outstanding equity awards specific to the SYU Assets. The total stock-based compensation expense is included on the unaudited condensed consolidated statements of operations based upon the job function of the employees receiving the grants as follows:

	Successor			
	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	February 14, 2024 —September 30, 2024
<i>(in thousands)</i>				
Operations and maintenance expenses	\$ 1,312	\$ 1,789	\$ 4,489	\$ 3,722
General and administrative expenses	12,212	14,960	25,527	82,312
Total	<u>\$ 13,524</u>	<u>\$ 16,749</u>	<u>\$ 30,016</u>	<u>\$ 86,034</u>

Incentive Plan

The Company's Incentive Plan includes incentive stock options and nonqualified stock options, stock appreciation rights, restricted stock, dividend equivalents, restricted stock units and other stock or cash-based awards. Certain awards under the Incentive Plan may constitute or provide for payment of "nonqualified deferred compensation" under Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. Awards other than cash awards generally will be settled in shares of the Company's Common Stock, but the applicable award agreement may provide for cash settlement of any award.

Our employees, consultants and directors, and employees and consultants of our subsidiaries, may be eligible to receive awards under the Incentive Plan. Following the closing of the Business Combination, the Compensation Committee of the Company's Board of Directors (the "Board") was appointed by the Board to administer the Incentive Plan (the Compensation Committee, in its role as administrator of the Incentive Plan, the "Plan Administrator").

The Plan Administrator has the authority to take all actions and make all determinations under the Incentive Plan, to interpret the Incentive Plan and award agreements and to adopt, amend and repeal rules for the administration of the Incentive Plan as it deems advisable. The Plan Administrator will also have the authority to, among other things, determine which eligible service providers receive awards, grant awards, set the terms and conditions of all awards under the Incentive Plan, including any performance goals, vesting and vesting acceleration provisions, subject to the conditions and limitations in the Incentive Plan, accelerate vesting requirements, waive or amend performance goals and other restrictions, and amend award agreements. As of September 30, 2025, 881,558 share based awards were authorized and available for grant by the Plan Administrator under the Successor's Incentive Plan.

Restricted Stock Awards

On the Closing Date, and in connection with the executive officers' employment agreements, the Company granted 650,000 shares of restricted Common Stock to each of the Company's executive officers (other than Mr. Flores), which vested on the May 15, 2025, restart of production from the SYU Assets. The executive officer awards are subject to a three-year lock-up provision.

During March 2024, the Plan Administrator authorized the grant of 158,334 shares of restricted Common Stock in the aggregate to the independent members of the Board for their contributions towards closing the Business Combination and for their service on the Board. These restricted shares vested 12 months after the grant date.

Additionally, 2,237,190 shares of restricted Common Stock, net of forfeitures, were granted to employees of the Company through September 30, 2025, 2,218,190 of which vested following the May 15, 2025 restart of production from the SYU Assets. The remaining 19,000 shares of restricted Common Stock will vest 12 months from their respective grant dates. All of the executive officer awards, the awards granted to the members of the Board, and the awards granted to employees of the Company following the closing of the Business Combination are restricted stock awards to be settled in shares, and qualify as equity classified awards. The value of the stock-settled restricted stock awards is established by the market price on the date of grant and was recorded as compensation expense ratably over the vesting terms. Forfeitures are recognized as they occur.

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The following table summarizes restricted stock award activity for the nine months ended September 30, 2025 (Successor), and for the period February 14, 2024 through September 30, 2024 (Successor):

	Successor			
	Nine Months Ended September 30, 2025		February 14, 2024—September 30, 2024	
	Shares	Weighted-average grant date fair value	Shares	Weighted-average grant date fair value
Non-vested, beginning of the period	4,874,270	\$ 11.99	—	\$ —
Granted	227,885	25.91	4,807,270	11.84
Vested	(4,976,524)	12.58	—	—
Forfeited	(106,631)	11.46	—	—
Non-vested, end of the period	19,000	\$ 28.64	4,807,270	\$ 11.84

There was \$0.4 million unrecognized stock-based compensation expense associated with unvested restricted stock awards as of September 30, 2025, which is to be recognized over the weighted average remaining life of less than one year.

Restricted Stock Units

On April 25, 2025, the Compensation Committee approved long-term incentive grants of up to 10,653,076 restricted stock units to our CEO, executive officers and other employees of the Company. The restricted stock units will vest over nine, five or three-year periods and generally will vest ratably and annually beginning on the one-year anniversary of the grant date. The associated restricted stock unit agreements also include dividend equivalent rights, which entitle the grantee to the aggregate value of the dividends declared on the Common Stock, if any, whose dividend record date occurs during the period from the grant date until the day before the applicable settlement date for such vested restricted stock unit. Each annual vesting of restricted stock units (and the right to receive the corresponding dividend equivalent amount) is subject to continued service by the grantee.

Restricted stock units were initially granted during the nine months ended September 30, 2025 (Successor). No restricted stock units were granted during the three months ended September 30, 2025 (Successor), the nine months ended September 30, 2024 (Successor), the period February 14, 2024 through September 30, 2024 (Successor), or the period January 1, 2024 through February 13, 2024 (Predecessor).

There were 10,084,265 outstanding restricted stock units that were granted to our executive officers and, other members of management of the Company are to be settled in shares, and qualify as equity classified awards, while 366,300 outstanding restricted stock units that were granted to other employees of the Company are to be settled in cash and therefore are accounted for as liability classified awards. The value of the stock-settled restricted stock units is established by the market price of the Company's Common Stock on the date of grant and is recorded as compensation expense ratably over the vesting terms. The value of the cash-settled restricted stock units is also established by the market price of the Company's Common Stock but is remeasured at the end of each reporting period through settlement, with the related compensation expense recognized ratably over the vesting terms based on the change in the liability. The liability recognized for the cash-settled restricted stock units is presented within other current liabilities on the unaudited condensed consolidated balance sheets. Forfeitures are recognized as they occur.

The following table summarizes the activity of restricted stock units for the nine months ended September 30, 2025 (Successor):

	Successor	
	Shares	Weighted-average grant date fair value
Non-vested, beginning of the period	—	\$ —
Granted	10,460,465	20.34
Vested	—	—
Forfeited	(9,900)	21.19
Non-vested, end of the period	10,450,565	\$ 20.34

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As of September 30, 2025, unrecognized share based compensation expense to be recognized over the life of the restricted stock units consists of \$188.1 million for the stock-settled restricted stock units and \$5.7 million for the cash-settled restricted stock units. Such expense is to be recognized over the weighted average remaining life of 5.3 years and 2.6 years, respectively.

Other Stock Awards

On April 25, 2025, the Compensation Committee approved an annual grant of 25,000 shares of Common Stock to each of the Company's three non-employee directors as compensation for service on the Board. These Board stock awards had a weighted-average grant date fair value of \$19.82 per share, resulting in \$1.5 million in share based compensation expense, which was recognized during the nine months ended September 30, 2025 (Successor).

Merger Consideration

Pursuant to the Merger Agreement, on the Closing Date and contemporaneously with the completion of the transactions contemplated under the Sable-EM Purchase Agreement, as previously noted Holdco merged with and into Flame, with Flame as the surviving company, and immediately thereafter, Sable merged with and into Flame, with Flame as the surviving company. The aggregate consideration received by holders of limited liability company membership interests in Holdco designated as Class A shares immediately prior to the Holdco Merger Effective Time was 3,000,000 shares of Flame Class A Common Stock. Share based compensation expense of \$36.3 million was recognized associated with the issuance of the 3,000,000 shares in General and administrative expenses on the unaudited condensed consolidated statement of operations for the period from February 14, 2024 through September 30, 2024 (Successor). The Merger Consideration Shares are subject to a three-year lock-up provision.

Founders Shares

In the periods prior to the Business Combination, the Sponsor sold 434,375 Founder Shares to some of the Company's directors and executives, including Gregory D. Patrinely, the Company's Executive Vice President and Chief Financial Officer, at their original purchase price. Such sale of Founder Shares to the Company's directors and executives is within the scope of FASB ASC Topic 718, *Compensation-Stock Compensation* ("ASC 718"). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date. The Founder Shares were sold to directors and executives and effectively transferred subject to a performance condition (i.e., the consummation of a Business Combination). Compensation expense related to the Founder Shares is recognized only when the performance condition is probable of achievement under the applicable accounting literature. As such, the Company recognized \$3.7 million in stock-based compensation expense upon the completion of the Business Combination, which is included in the General and administrative expenses on the unaudited condensed consolidated statement of operations for the period from February 14, 2024 through September 30, 2024 (Successor).

Note 11 — Fair Value Measurements

Certain of the Company's financial assets and liabilities are reported at fair value on the unaudited condensed consolidated balance sheets. An established fair value hierarchy prioritizes the relative reliability of inputs used in fair value measurements. The hierarchy gives highest priority to Level 1 inputs that represent unadjusted quoted market prices in active markets for identical assets and liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are directly or indirectly observable inputs other than quoted prices included within Level 1. Level 3 inputs are unobservable inputs and have the lowest priority in the hierarchy.

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Recurring Fair Value Measurements

The following tables present information about the Company's assets and liabilities that are measured at fair value on a recurring basis, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

	As of September 30, 2025			
<i>(in thousands)</i>	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Liabilities:				
Senior Secured Term Loan	\$ —	\$ 896,571	\$ —	\$ 896,571
Private Placement Warrants	—	—	53,177	53,177
Working Capital Warrants	—	—	33,096	33,096
Restricted Stock Unit Liability ⁽¹⁾	—	690	—	690

⁽¹⁾ As discussed in Note 10 — Share Based Compensation, certain restricted stock units qualify for liability treatment and are remeasured at the end of each reporting period.

	As of September 30, 2024			
<i>(in thousands)</i>	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Liabilities:				
Senior Secured Term Loan	\$ —	\$ 814,421	\$ —	\$ 814,421
Public Warrants	115,873	—	—	115,873
Private Placement Warrants	—	—	91,658	91,658
Working Capital Warrants	—	—	51,018	51,018

The following tables present the changes in the fair value of the Level 3 Private Placement Warrants and Working Capital Warrants:

<i>(in thousands)</i>	Private Placement Warrants (Level 3)	Working Capital Warrants (Level 3)	Total Level 3 Liabilities Fair Value
Fair Value as of December 31, 2024	\$ 79,263	\$ 47,678	\$ 126,941
Change in valuation inputs or other assumptions	13,492	7,803	21,295
Fair Value as of March 31, 2025	92,755	55,481	148,236
Change in valuation inputs or other assumptions	(17,325)	(9,821)	(27,146)
Fair Value as of June 30, 2025	75,430	45,660	121,090
Change in valuation inputs or other assumptions	(22,253)	(12,564)	(34,817)
Fair Value as of September 30, 2025	\$ 53,177	\$ 33,096	\$ 86,273

<i>(in thousands)</i>	Private Placement Warrants (Level 3)	Working Capital Warrants (Level 3)	Total Level 3 Liabilities Fair Value
Fair Value as of February 14, 2024	\$ 19,813	\$ —	\$ 19,813
Change in valuation inputs or other assumptions	550	562	1,112
Fair Value as of March 31, 2024	20,363	10,845	31,208
Change in valuation inputs or other assumptions	37,839	19,045	56,884
Fair Value as of June 30, 2024	58,202	29,890	88,092
Transfer out of Level 3	(19,938)	—	(19,938)
Change in valuation inputs or other assumptions	53,394	21,128	74,522
Fair Value as of September 30, 2024	\$ 91,658	\$ 51,018	\$ 142,676

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During the three months ended September 30, 2024 (Successor), 1,517,338 Private Placement Warrants ceased to be held by the initial purchasers or their permitted transferees and therefore became redeemable by the Company and exercisable by the holders of such warrants on the same basis as the Public Warrants. As a result, \$19.9 million was transferred out of Level 3 and into Level 1 in the fair value hierarchy during the three months ended September 30, 2024 (Successor) and the period February 14, 2024 through September 30, 2024 (Successor).

There were no other transfers in or out of Level 3 from other levels in the fair value hierarchy for the three and nine months ended September 30, 2025 (Successor), the three months ended September 30, 2024 (Successor) or for the period from February 14, 2024 through September 30, 2024 (Successor).

There were no financial assets or liabilities accounted for at fair value on a recurring basis in the Predecessor financial statements for the period from January 1, 2024 to February 13, 2024 (Predecessor).

Fair Value of Financial Assets

The carrying amount of cash and cash equivalents, prepaid expenses and other current assets, accounts payable, and accrued liabilities approximate their fair value because of the short-term nature of the instruments.

Senior Secured Term Loan

As of September 30, 2025 and December 31, 2024, the estimated fair value of the Senior Secured Term Loan approximates the amount of principal and paid-in-kind interest outstanding because the interest rate is reflective of market rates and such outstanding amount may be repaid, in full or in part, at any time without penalty. The associated inputs are considered a Level 2 fair value measurement.

Warrant Liabilities

Prior to the Redemption, the Public Warrants were measured at the observable quoted price in active markets. Refer to *Note 7 — Warrants* for details regarding the Warrant exercises and redemptions for the period from February 14, 2024 through December 31, 2024 (Successor). The estimated fair values of the Private Warrants and the Working Capital Warrants are measured using the Modified Black-Scholes Optional Pricing Model, which utilizes Level 3 inputs. Inherent in a binomial options pricing model are assumptions related to expected share-price volatility, expected life, risk-free interest rate and dividend yield. A change in these significant unobservable inputs to a different value could result in a significantly higher or lower fair value measurement at future reporting dates. The Company estimates the volatility of its Common Stock based on historical volatility that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates to remain at zero. The aforementioned warrant liabilities are not subject to qualified hedge accounting. Changes in the estimated fair value of the Private Placement Warrants and Working Capital Warrants are included in the Change in fair value of warrant liabilities on the Company's unaudited condensed consolidated statement of operations for the three and nine months ended September 30, 2025 (Successor), the three months ended September 30, 2024 (Successor), the period from February 14, 2024 through September 30, 2024 (Successor) and the period January 1, 2024 through February 13, 2024 (Predecessor).

As Private Placement Warrants held by FL Co-Investment, LLC ("FL Co-Investment") and Intrepid Financial Partners, L.L.C. ("Intrepid Financial Partners") will not be exercisable more than five years from the effective date of the registration statement, the exercise period end date is different than other Private Placement Warrants and Working Capital Warrants which will expire five years after the Closing Date or earlier upon redemption or liquidation. Accordingly, they have different inputs to the Modified Black-Scholes Optional Pricing Model.

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The following table provides quantitative information regarding Level 3 inputs used to determine the fair values of Private Placement Warrants held by FL Co-Investment and Intrepid Financial Partners as of September 30, 2025.

Inputs		September 30, 2025
Stock price	\$	17.46
Strike price	\$	11.50
Term (in years)		0.40
Volatility		100.0 %
Risk-free rate		3.83 %
Dividend yield		0.00 %

The following table provides quantitative information regarding Level 3 fair value measurements used to determine the fair value of the Working Capital Warrants and the Private Placement Warrants, excluding Private Placement Warrants held by FL Co-Investment and Intrepid Financial Partners, as of September 30, 2025.

Inputs		September 30, 2025
Stock price	\$	17.46
Strike price	\$	11.50
Term (in years)		3.38
Volatility		60.0 %
Risk-free rate		3.57 %
Dividend yield		0.00 %

The following table provides quantitative information regarding Level 3 inputs used to determine the fair values of Private Placement Warrants held by FL Co-Investment and Intrepid Financial Partners as of December 31, 2024.

Inputs		December 31, 2024
Stock price	\$	22.90
Strike price	\$	11.50
Term (in years)		1.15
Volatility		60.0 %
Risk-free rate		4.09 %
Dividend yield		0.00 %

The following table provides quantitative information regarding Level 3 fair value measurements used to determine the fair value of the Working Capital Warrants and the Private Placement Warrants, excluding Private Placement Warrants held by FL Co-Investment and Intrepid Financial Partners, as of December 31, 2024.

Inputs		December 31, 2024
Stock price	\$	22.90
Strike price	\$	11.50
Term (in years)		4.12
Volatility		45.0 %
Risk-free rate		4.24 %
Dividend yield		0.00 %

Note 12 — Supplemental Cash Flow Information

The following table provides supplemental disclosure of substantive cash flow information:

<i>(in thousands)</i>	Successor		Predecessor
	Nine Months Ended September 30, 2025	February 14, 2024— September 30, 2024	January 1, 2024— February 13, 2024
Assets and Liabilities resulting from Business Combination:			
Senior Secured Term Loan, including paid-in-kind interest	\$ —	\$ 765,018	\$ —
Supplies and materials	—	16,637	—
Accrued liabilities	—	129	—
Deferred tax liability	—	1,209	—
Asset retirement obligation assumed	—	90,073	—
Right-of-use assets obtained in exchange for operating lease liabilities	—	4,621	—
Right-of-use assets obtained in exchange for operating lease liabilities	335	13,260	—
Change in capital expenditures included in accounts payable and accrued liabilities	24,360	32,145	—
Warrant liability removed upon exercise	—	69,123	—
Accrued equity issuance costs	36	7,482	—
Capitalization of depletion to inventory	5,442	—	—

Note 13 — Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the unaudited condensed consolidated balance sheet date up to the date that the unaudited condensed consolidated financial statements were issued. Based upon this review, the Company, other than as previously described herein, did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

On October 14, 2025, the Company entered into the Fifth Amendment to the Sable-EM Purchase Agreement, pursuant to which the Company agreed to purchase a performance bond in the amount of \$350.0 million in favor of EM as the sole beneficiary as plug and abandonment financial security, which is due three days prior to the Senior Secured Term Loan maturity (see further discussion of maturity date and Second Debt Amendment at *Note 6 — Debt*). In accordance with the Sable-EM Purchase Agreement, EM has the ability to request a performance bond increase to \$500.0 million in favor of EM.

On October 14, 2025, the Company entered into a Letter Agreement Regarding Restart Production (the “*Letter Agreement*”) and the County of Santa Barbara’s Field Development Plan, with an effective date of June 1, 2025, whereby the Company agreed to provide EM additional consideration for lack of operatorship transfer. The Company will reimburse EM for costs associated with the *Sable Offshore et al. v. County of Santa Barbara et al.* litigation regarding operator permit transfer, and will compensate EM \$4.0 million per month during the term of the agreement for operator related services. The term concludes at the earlier of (i) the completion of the transfer of operator or (ii) termination of the agreement by EM. Refer to *Note 8 — Commitments and Contingencies* for details regarding this County Permit Transfer Matter.

On November 10, 2025, the Company entered into subscription agreements with certain investors (the “*Third PIPE Investors*”), pursuant to which, among other things, the Third PIPE Investors agreed to subscribe for and purchase from the Company, and the Company agreed to issue and sell to the Third PIPE Investors an aggregate of 45,454,546 newly issued shares of its Common Stock at a purchase price of \$5.50 per share for an aggregate purchase price of approximately \$250.0 million, on the terms and subject to the conditions set forth therein (the “*Third PIPE Investment*”). The issuance and sale of the Common Stock in the Third PIPE Investment was completed on November 12, 2025. The Company intends to use the proceeds from the Third PIPE Investment for general corporate purposes. The Third PIPE Investment is expected to satisfy the common equity contribution condition of the Senior Secured Term Loan amendment announced by the Company on November 3, 2025, as previously discussed in *Note 6 — Debt*.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise indicated, references to “we”, “us”, “our”, “Sable” or the “Company” in this Item 2 are to Sable Offshore Corp. (f/k/a Flame Acquisition Corp.) and its consolidated subsidiaries, following the Business Combination. References to “Flame” are to Flame Acquisition Corp. before the consummation of the Business Combination. References to the “Pipelines” are to Pipeline Segments 324/325 (formerly known as Pipeline Segments 901/903) and the other “324/325 Assets” (formally known as “901/903 Assets” and as defined in the Sable-EM Purchase Agreement). As a result of the closing of the Business Combination, which was accounted for as a forward merger in accordance with GAAP, the financial statements of Successor (as defined below) are now the financial statements of the Company. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes thereto included elsewhere in this Quarterly Report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Cautionary Note Regarding Forward-Looking Statements

The unaudited condensed consolidated financial statements include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “*Securities Act*”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “*Exchange Act*”). We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “continue,” or the negative of such terms or other similar expressions. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the risk factors described in Part I, Item 1A “Risk Factors” included in our Annual Report on Form 10-K for the year ended December 31, 2024, and those described in our other SEC filings. The Company’s securities filings can be accessed on the EDGAR section of the SEC’s website at www.sec.gov. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

Overview

Sable Offshore Corp. is an independent oil and gas company headquartered in Houston, Texas. We were incorporated in Delaware on October 16, 2020 and, until February 14, 2024, were a blank check company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. We are an emerging growth company and, as such, we are subject to all of the risks associated with emerging growth companies.

Business Combination

On November 1, 2022 (as amended on June 13, 2023 and December 15, 2023), Sable Offshore Corp., a Texas corporation (“SOC”), entered into a purchase and sale agreement (the “*Sable-EM Purchase Agreement*”) with Exxon Mobil Corporation (“*Exxon*”) and Mobil Pacific Pipeline Company (“*MPPC*,” and together with Exxon, “*EM*”) pursuant to which SOC agreed to acquire from EM certain assets constituting the Santa Ynez field in Federal waters offshore California (“*SYU*”) and associated onshore processing and pipeline assets (such as “*Assets*,” as defined in the Sable-EM Purchase Agreement, collectively the “*SYU Assets*”).

On November 2, 2022, Flame entered into an agreement and plan of merger, dated as of November 2, 2022 (as amended, the “*Merger Agreement*”), with SOC and Sable Offshore Holdings, LLC, a Delaware limited liability company and the parent company of SOC (“*Holdco*” and, together with SOC, “*Legacy Sable*”), which provided for the following transactions at the closing: (i) Holdco would merge with and into Flame, with Flame surviving such merger (the “*Holdco Merger*”) and (ii) SOC would merge with and into Flame, with Flame surviving such merger (the “*SOC Merger*” and, together with the Holdco Merger, the “*Mergers*” and, along with the other transactions contemplated by the Merger Agreement, the “*Business Combination*”).

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On February 12, 2024, Flame held a special meeting of stockholders (the “*Special Meeting*”), at which the Flame stockholders considered and adopted, among other matters, a proposal to approve the Business Combination, including (a) adopting the Merger Agreement and (b) approving the other transactions contemplated by the Merger Agreement.

Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, following the Special Meeting, on February 14, 2024 (the “*Closing Date*”), the Business Combination was consummated (the “*Closing*”). In connection with the Business Combination, Flame changed its name to “*Sable Offshore Corp.*”.

First PIPE Investment

On February 14, 2024, in connection with the Business Combination, the Company issued 44,024,910 shares of Common Stock, at a price of \$10.00 per share for aggregate gross proceeds of \$440.2 million (the “*First PIPE Investment*”). The shares of Common Stock issued in the First PIPE Investment were offered in a private placement under the Securities Act of 1933, as amended (the “*Securities Act*”). Upon the closing of the Business Combination, an associated marketing fee and legal fees of approximately \$22.9 million was paid in full, and was recognized as an offset to the proceeds from the First PIPE Investment.

Second PIPE Investment

On September 26, 2024, the Company issued 7,500,000 shares of Common Stock of the Company, at a price of \$20.00 per share for aggregate gross proceeds of approximately \$150.0 million (the “*Second PIPE Investment*”). The shares of Common Stock issued in the Second PIPE Investment were offered in a private placement under the Securities Act. An associated marketing fee and legal fees of approximately \$7.8 million was recognized as an offset to the proceeds from the Second PIPE Investment.

Public Warrant Exercises

As of November 4, 2024 (the “*Redemption Date*”), approximately 99.8% of the Company’s outstanding Public Warrants were exercised by the holders thereof to purchase fully paid and non-assessable shares of Common Stock at an exercise price of \$11.50 per share. As a result, holders of the Public Warrants received an aggregate of 15,957,820 shares of the Company’s Common Stock in exchange for \$183.5 million in cash proceeds to the Company. All unexercised and outstanding Public Warrants as of 5:00 p.m. New York City time on the Redemption Date were redeemed at a price of \$0.01 per Public Warrant and, as a result, no Public Warrants currently remain outstanding and the Public Warrants have ceased trading on the New York Stock Exchange. The private placement warrants and working capital warrants to purchase Common Stock that were issued under the Warrant Agreement and that are still held by the initial holders thereof or their permitted transferees were not subject to this redemption and remain outstanding.

2025 Offering

On May 21, 2025, the Company entered into an Underwriting Agreement (the “*Underwriting Agreement*”) with J.P. Morgan Securities LLC, TD Securities (USA) LLC and Jefferies LLC, as representatives of the several underwriters (the “*Underwriters*”), relating to the underwritten offering of 8,695,654 shares of common stock, par value \$0.0001 per share (the “*Common Stock*”), of the Company (the “*2025 Offering*”). Under the terms of the Underwriting Agreement, the Company granted the Underwriters a 30-day option to purchase up to 1,304,346 additional shares of Common Stock.

On May 23, 2025 the upsized underwritten public offering of 10,000,000 shares of Common Stock at the public offering price of \$29.50 per share closed. Upon the closing of the 2025 Offering, associated marketing fees and legal fees of approximately \$12.4 million were incurred, and were recognized as an offset to the proceeds from the 2025 Offering within Additional paid-in capital in the unaudited condensed consolidated balance sheet and statement of stockholders’ equity (deficit)/net parent investment as of September 30, 2025. The Company received approximately \$282.6 million of net proceeds from the 2025 Offering to be used for capital expenditures, working capital purposes and general corporate purposes.

Third PIPE Investment

On November 10, 2025, the Company entered into subscription agreements with certain investors (the “*Third PIPE Investors*”), pursuant to which, among other things, the Third PIPE Investors agreed to subscribe for and purchase from the Company, and the Company agreed to issue and sell to the Third PIPE Investors an aggregate of 45,454,546 newly issued shares of its Common Stock at a purchase price of \$5.50 per share for an aggregate purchase price of approximately \$250.0 million, on the terms and subject to the conditions set forth therein (the “*Third PIPE Investment*”). The issuance and sale of the Common Stock in the Third PIPE Investment was completed on November 12, 2025. The Company intends to use the proceeds from the Third PIPE Investment for general corporate purposes. The Third PIPE Investment is expected to

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satisfy the common equity contribution condition of the Senior Secured Term Loan amendment announced by the Company on November 3, 2025, as previously discussed in *Note 6 — Debt*.

SYU Assets

Beginning in 1968 and over the course of 14 years, EM consolidated more than a dozen offshore federal oil leases and organized them into a streamlined production unit known as SYU. SYU consists of three offshore platforms and a wholly owned onshore processing facility located along the Gaviota Coast at Las Flores Canyon in Santa Barbara County, California. SYU's onshore facilities and the three offshore platforms remained in continuous operation until 2015. In May 2015, an onshore pipeline operated by Plains All American Pipeline, L.P. ("Plains") that transported produced oil from SYU experienced a leak. The SYU offshore platforms and facilities suspended production after the incident, the SYU Assets were shut in and the facilities were placed in a safe state. Prior to May 15, 2025, the offshore facilities had not produced oil and gas since May 2015; however, all equipment remained in place in an operation-ready state, requiring ongoing inspections, maintenance and surveillance. As part of these efforts, all equipment was drained, flushed and purged in 2016. All hydrocarbon pipelines within SYU were placed in a safe state and regularly monitored. In 2020, Plains entered into a Consent Decree, that provides a path for a potential restart of the Onshore Pipeline.

The discussion of the results of operations for the Predecessor periods below do not include the results from the Pipelines and the Pipelines are not included in the combined financial statements of the Predecessor included in the financial statements and related notes thereto included elsewhere in this Quarterly Report. Financial statements of the Pipelines have not been included because SEC guidance provides that the financial statements of recently acquired businesses such as the Pipelines need not be filed unless their omission would render Predecessors combined financial statements misleading or substantially incomplete. Based upon our quantitative and qualitative analysis, we do not believe omitting the financial statements of the Pipelines renders the Predecessor combined financial statements misleading or substantially incomplete. The Successor financial statements include the results from the Pipelines and the Pipelines are included in the unaudited condensed consolidated financial statements.

For the purposes of the unaudited condensed consolidated financial statements, periods on or before February 13, 2024 reflect the financial position, results of operations and cash flows of SYU prior to the Business Combination, referred to herein as the "Predecessor," and periods beginning on or after February 14, 2024 reflect the financial position, results of operations and cash flows of the Company as a result of the Business Combination, referred to herein as the "Successor."

Recent Events

Offshore Storage and Treating Vessel Offtake Strategy

On September 29, 2025, Sable announced that it is evaluating and pursuing an offshore storage and treating vessel ("OS&T") strategy to provide access to domestic and global markets via shuttle tankers for federal crude oil produced from the SYU in the Pacific Outer Continental Shelf Area (the "OS&T Strategy"). Continued delays related to the Onshore Pipeline have prompted Sable to evaluate and pursue the OS&T Strategy. On October 9, 2025, Sable submitted a Development and Production Plan update for the SYU to the Bureau of Ocean Energy Management ("BOEM"). Prior to implementation of the OS&T strategy, regulatory authorizations are required, including clearance from BOEM.

Preparations for the OS&T Strategy include the acquisition of a suitable OS&T vessel, certain refitting and upgrades to the vessel and the SYU equipment, transportation of the vessel to SYU, and related installation. In connection with implementation of the OS&T Strategy, the Company expects to opportunistically acquire an existing OS&T in Q1 2026, with delivery of the vessel expected in Q3 2026. Following the acquisition of the vessel, and vessel and platform upgrades and installation, Sable would expect to begin sales from all SYU platforms in Q4 2026, with expected comprehensive oil production rates of over 50,000 barrels of oil per day, utilizing the OS&T within the SYU federal leases, provided the Company receives regulatory clearances. See *Risk Factors—Risks Associated with Our Operations—In order to commence operations pursuant to an OS&T offtake strategy, we will require clearances and permitting, including from BOEM.*

Amendment of the Senior Secured Term Loan

On November 3, 2025, the Company and Exxon entered into an amendment (the "Second Debt Amendment") to the Senior Secured Term Loan. The Second Debt Amendment will become effective upon the satisfaction of certain conditions, including the Company receiving equity contributions in an amount of no less than \$225.0 million, net of underwriting fees and other transaction costs and expenses, and other customary closing conditions. The Second Debt Amendment, once effective, will extend the maturity date of the Senior Secured Term Loan to the earlier of (i) March 31, 2027 or (ii) 90 days after first sales of Hydrocarbons (as defined in the Senior Secured Term Loan). The Second Debt Amendment, once effective, will increase the interest rate from ten percent (10%) per annum to fifteen percent (15%) per annum,

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compounded annually, payable in arrears on January 1st of each year. At the Company's election, accrued but unpaid interest may be deemed paid on each interest payment date by adding the amount of interest owed to the outstanding principal (paid-in-kind) amount under the Senior Secured Term Loan. The Second Debt Amendment will also include additional reporting covenants and a financial liquidity covenant that will require the Company to have not less than \$25.0 million in unrestricted cash, measured at the end of each month. There is no guarantee that the Company will be able to satisfy the necessary conditions to effect the Second Debt Amendment.

Restart of Production and Resuming Petroleum Transportation through 324 and 325

On May 15, 2025, Sable initiated oil production from six wells on Platform Harmony at SYU and began flowing oil production to Las Flores Canyon ("LFC") at an initial rate of approximately 6,000 barrels of oil per day.

On May 18, 2025, Sable completed anomaly repairs on Line 324 (formerly known as Line 901), which extends from the Las Flores Station on the California coast to the Gaviota Pump Station in Santa Barbara County, California, and Line 325 (formerly known as Line 903), which extends from the Gaviota Pump Station to Pentland Station in Kern County, California, the point of sale. With the completion of such repairs, Sable has now completed its anomaly repair program on the Onshore Pipeline as specified by a Consent Decree that Plains entered into with various governmental agencies in 2020 (the "Consent Decree"), the governing document for resuming petroleum transportation through the Onshore Pipeline.

The Consent Decree requires the approval from the California Department of Forestry and Fire Protection's Office of State Fire Marshall ("OSFM") regarding restart plans for each of the Pipelines (the "Restart Plans") prior to resuming petroleum transportation through Lines 324 and 325 (the "Pipeline Restart"). The Consent Decree prescribes what must be submitted in the Restart Plans. On July 29, 2024, Pacific Pipeline Company ("PPC") submitted the Restart Plans to OSFM for approval. As of May 27, 2025, Sable has conducted successful hydrotests on all segments of Line 324 and Line 325.

State Waivers. On December 17, 2024, OSFM approved Sable's implementation of enhanced pipeline integrity standards for the Pipelines by granting state waivers of certain regulatory requirements ("State Waivers") related to cathodic protection and seam weld corrosion for the Pipelines.

On February 11, 2025, Pipeline and Hazardous Materials Safety Administration ("PHMSA") notified the OSFM that PHMSA does not object to OSFM's granting of the State Waivers.

Two lawsuits have been filed against OSFM (as Defendant) and Sable and PPC (as Real Parties in Interest) challenging OSFM's issuance of the State Waivers. On April 15, 2025, the Center for Biological Diversity and the Wishtoyo Foundation filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief alleging that OSFM violated federal and state pipeline safety laws and the California Environmental Quality Act ("CEQA") in issuing the State Waivers (Case No. 25CV02244). The Environmental Defense Center, Get Oil Out!, Santa Barbara County Action Network, Sierra Club, and Santa Barbara Channelkeeper also filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief against OSFM against OSFM (as Defendant) and Sable and PPC (as Real Parties in Interest) alleging similar claims (Case No. 25CV02247). Both groups of Petitioners seek a court order declaring the State Waivers void and directing OSFM to vacate and set aside the State Waivers until OSFM complies with its obligations under federal and state pipeline safety laws and CEQA. A hearing was held on July 18, 2025, and on July 29, 2025, the court entered an order granting petitioners' application for issuance of preliminary injunction in part, ruling that, absent further order of the court, Sable may resume petroleum transportation through the Onshore Pipeline 10 court days after Sable files notice that Sable has received all necessary approvals and permits for such resumption. The court clarified that Sable is not prevented from taking steps toward restarting the Onshore Pipeline, and that OSFM is not prevented from taking steps it finds appropriate in its regulatory capacity with respect to Sable's Restart Plans as contemplated by the federal Consent Decree.

Sable and PPC intend to defend both cases vigorously.

On October 22, 2025, OSFM sent a letter to Sable alleging deficiencies in the Company's compliance with the State Waivers. Sable strongly disagrees with the allegations, which are inconsistent with the plain language and numerous discussions with OSFM experts confirming that Sable was in compliance with the State Waivers. Sable provided its initial response to the OSFM on October 23, 2025, setting forth the Company's objections to OSFM's new interpretation of the State Waiver conditions, and plans to supplement its initial response. Refer to the Company's 8-K filed on October 24, 2025 for more information.

Pipeline Maintenance and Repair Work. Federal regulations require Sable to promptly "evaluate all anomalous [pipeline] conditions and remediate those that could reduce a pipeline's integrity." The Consent Decree requires Sable to comply with this and other federal regulatory requirements related to pipeline safety at heightened standards. In addition, Sable is

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required to comply with California Assembly Bill 864's requirements to install certain safety valves along the Pipelines in Santa Barbara County (the "County"). Accordingly, Sable has undertaken and completed required pipeline repair activities for both Lines 324 and 325, and the installation of the sixteen safety valves required under the approved 2021 Coastal Best Available Technology Plan.

California Coastal Commission. On September 27, 2024, the California Coastal Commission (the "*Coastal Commission*") issued Notice of Violation No. V-9-24-0152 to Sable, which asserted that Sable's safety valve installation work and certain maintenance and repair activities undertaken by Sable on the Pipelines in the California coastal zone (the "*Coastal Zone*") to address anomalies and install safety valves constituted unpermitted development activities under the California Coastal Act (Cal. Pub. Res. Code Section 30000, et seq.) (the "*Coastal Act*") and the County's Local Coastal Program ("*LCP*"). Sable undertook the subject repair and maintenance work, including the safety valve installation work, based on its understanding that no new coastal development permit or other Coastal Act authorization was required, consistent with the County's practice of authorizing repair work on the Pipelines since they were first permitted and built over 30 years ago. Following good faith negotiations with Coastal Commission staff, on November 12, 2024, the Coastal Commission issued Executive Director Cease and Desist Order No. ED-24-CD-02 (the "*Order*") requiring Sable to, among other requirements, prepare and submit an interim restoration plan and submit an application either to the Coastal Commission or the County to obtain a coastal development permit for the valve installation and other maintenance and repair work. In compliance with the Order, Sable prepared, submitted, and implemented the Interim Restoration Plan as approved by Coastal Commission staff. Sable separately submitted certain applications to the County related to some of the maintenance and repair work that was subject to Notice of Violation No. V-9-24-0152. The Order expired on February 10, 2025.

On February 12, 2025, the County delivered a letter to Sable confirming that certain Pipeline anomaly maintenance and repair work referenced in the Coastal Commission's Notice of Violation V-9-24-0152 was "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 letter states in part that "[t]he 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." Sable subsequently recommenced the repair and maintenance activities which were subject to Notice of Violation V-9-24-0152.

In addition, also on February 12, 2025, the County delivered a letter to the Coastal Commission. In this letter, the County responded to a request by the Coastal Commission to consent to a consolidated coastal development permit process for certain activities undertaken and planned by Sable on the Pipelines. The County's letter also stated that certain maintenance and repair work on the Pipelines that was referenced in the Coastal Commission's Notice of Violation V-9-24-0152 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. Thus, no further application to or action by the County is required."

On February 14, 2025, Sable submitted a written response to the Coastal Commission's Notice of Violation V-9-24-0152 detailing that, consistent with the County's letters, certain of the alleged unpermitted development subject to the Notice of Violation was previously approved and that no further coastal development permit is required.

On February 18, 2025, Sable filed a complaint against the Coastal Commission in the Superior Court of the State of California for the County of Santa Barbara (Case No. 25CV00974). In the complaint, Sable challenges the Coastal Commission's prior Notices of Violations and Executive Director Cease and Desist Order as procedurally improper and asserts that the Coastal Commission lacks authority to prohibit work authorized by existing permits. Sable seeks a declaration that the Coastal Commission's actions are unlawful, an injunction prohibiting further enforcement actions by the Coastal Commission, damages for the alleged taking of property rights, and attorneys' fees and costs. The Coastal Commission proceeded to issue an Executive Director Cease and Desist Order to Sable on February 18, 2025, related to certain of Sable's pipeline repair and maintenance activities and safety valve installation work.

On April 10, 2025, the Coastal Commission approved Cease and Desist Order CCC-25-CD-01, Restoration Order CCC-25-RO-01, and Administrative Penalty Order CCC-25-AP3-01, whereby the Coastal Commission ordered the Company to cease and desist from all ongoing development in the Coastal Zone "as part of the effort to restart the Santa Ynez Unit oil production operations and bring the pipelines back into use," apply for new Coastal Act authorization for all previously completed, ongoing, and future development in the Coastal Zone to the extent "part of the effort to restart the Santa Ynez Unit oil production operations and bring the pipelines back into use," and imposed an administrative penalty of approximately \$18.0 million on the Company. Sable is prepared to vigorously pursue all available legal remedies related to the orders, including the administrative penalty, imposed by the Coastal Commission.

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On April 16, 2025 the Coastal Commission filed a request in the Santa Barbara County Superior Court for a temporary restraining order against the Company to restrain the Company from violating the Cease and Desist Order CCC-25-CD-01 and to halt repair and maintenance activities on the Pipelines within the Coastal Zone. The request was filed within the Company's ongoing litigation against the Coastal Commission (Case No. 25CV00974). On April 17, 2025, the court denied the Coastal Commission's request for a temporary restraining order and set the matter for further hearing on May 14, 2025, which date was later continued to May 28, 2025.

On April 22, 2025, counsel for the Coastal Commission filed a Petition for Stay, Writ of Supersedeas, or Other Appropriate Order, and Request for Temporary Stay with the Second Division California Court of Appeal, seeking a temporary stay of the Santa Barbara County Superior Court's denial of the Coastal Commission's request for a TRO and an order requiring Sable to comply with the cease and desist order. Sable filed an Opposition to the Coastal Commission's Petition with the Court of Appeal on April 28, 2025. On May 15, 2025, the Court of Appeal denied the Coastal Commission's request for a temporary stay.

On May 28, 2025, the court granted the Coastal Commission's application for issuance of a preliminary injunction, enjoining Sable from conducting any further "development" in violation of Cease and Desist Order CCC-25-CD-01. On July 9, 2025, the court denied Sable's motion to stay the Cease and Desist Order CCC-25-CD-01. On July 16, 2025, Sable filed a notice of appeal of challenging the court's issuance of preliminary injunction. On July 29, 2025, counsel for Sable filed a Petition for Writ of Mandate or Other Appropriate Relief with the Second Division California Court of Appeal, seeking a writ of mandate reversing the Santa Barbara County Superior Court's denial of Sable's motion to the stay Cease and Desist Order CCC-25-CD-01. On August 4, 2025, the Court of Appeal denied Sable's Petition for Writ of Mandate. Sable's opening brief, reporter transcript and appendix of actions are due to be submitted to the Court of Appeal by November 14, 2025. On October 6, 2025, Sable filed a motion to file an amended complaint which quantifies its monetary damages in excess of \$347 million. On October 15, 2025, the Santa Barbara County Superior Court denied the Company's request for the issuance of a writ of mandate on its first cause of action and set procedural motions related to Sable's four additional causes of action for December 3, 2025. On November 5, 2025, Sable filed its opening brief in support of its appeal challenging the Superior Court's issuance of the preliminary injunction. Sable also filed a Petition for Writ of Mandate or Other Appropriate Relief, seeking a writ of mandate reversing the Superior Court's October 15, 2025, denial of Sable's first cause of action.

BSEE Matter

On June 27, 2024, the Center for Biological Diversity and the Wishtoyo Foundation filed a complaint against Debra Haaland, Secretary of the U.S. Department of the Interior; the Bureau of Safety and Environmental Enforcement ("BSEE"); and Bruce Hesson, BSEE Pacific Regional Director in the U.S. District Court for the Central District of California (Case No. 2:24-cv-05459). Sable intervened and vigorously contests the plaintiffs' allegations. In the plaintiffs' amended complaint, they allege that BSEE: violated the National Environmental Policy Act ("*NEPA*"), the Outer Continental Shelf Lands Act ("*OCSLA*"), and the Administrative Procedure Act ("*APA*") in November 2023 by approving an extension to resume operations associated with the 16 oil and gas leases Sable holds in the SYU in federal waters offshore of California in the Santa Barbara Channel; and violated NEPA and the APA in September 2024 by approving applications for permits to modify for well reworking operations and by failing to conduct supplemental environmental analysis for oil and gas development and production in the SYU. The complaint asks for the court: to issue an order finding that BSEE violated NEPA, OCSLA and the APA; to vacate and remand the extension and the applications for permits to modify; to order BSEE to complete NEPA analysis by a date certain; to prohibit BSEE from authorizing further extensions, applications for permits to modify, or any other authorizations for resuming production until it complies with NEPA, OCSLA and the APA; and for an award of costs and attorneys' fees. Sable believes that the government's prior extensions to resume operations were both appropriate and authorized and independently that subsequent actions, including a May 28, 2025 Environmental Assessment relied on by BSEE and a May 29, 2025 decision by BSEE approving the extension, render plaintiffs' claims moot. On September 24, 2025, the court denied cross-motions for summary judgment by all parties. On November 7, 2025, the court approved a new scheduling order that provides for an amended complaint, the filing by the federal government of an updated administrative record by December 19, 2025, and a hearing on disputes over completeness of or for leave to seek discovery related to the administrative record on March 13, 2026.

BOEM Matter

On April 2, 2025, the Center for Biological Diversity and the Wishtoyo Foundation filed a complaint against Doug Burgum, Secretary of the U.S. Department of the Interior; BOEM; and Douglas Boren, BOEM Pacific Regional Director, in the U.S. District Court for the Central District of California (Case No. 2:25-cv-02840). On May 12, 2025, plaintiffs filed an amended complaint in which plaintiffs challenge BOEM's April 2025 decision determining that Sable is not required to revise the development and production plan for Platform Harmony in the SYU. The amended complaint asks for the court:

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to issue an order finding that BOEM's decision was not in accordance with OCSLA and violated the APA; order BOEM to require revision of the development and production plan for Platform Harmony; prohibit BOEM from authorizing new oil and gas drilling activity at the SYU unless and until revision of the development and production plan is complete; and for an award of costs and attorneys' fees. Sable intervened and vigorously contests the plaintiffs' allegations. On September 10, 2025, the court denied Sable's motion to dismiss based on plaintiffs' failure to provide notice under OCSLA's citizen suit provision. The court approved a scheduling order that provides for a hearing on cross-motions for summary judgment on May 15, 2026.

Regional Water Quality Control Board and Department of Fish and Wildlife Matters

On December 13, 2024, the California Central Coast Regional Water Quality Control Board ("Water Board") issued three letters to the Company related to the Pipelines: (i) a Notice of Violation for an alleged unauthorized discharge of waste to waters of the state at an ephemeral stream in Santa Barbara County; (ii) a Directive to obtain regulatory coverage for an alleged unauthorized discharge of waste to waters of the state at the same ephemeral stream identified in item (i); and (iii) a First Notice of Non-Compliance for an alleged failure to obtain coverage under the Water Board's General Permit for Construction Stormwater Discharges in Santa Barbara, San Luis Obispo, and Kern Counties.

On December 17, 2024, the California Department of Fish and Wildlife ("CDFW") issued a Notice of Potential Violation to Sable for alleged violations of the California Fish and Game Code at four separate sites within Santa Barbara County and San Luis Obispo County in California for alleged placement or fill of waste to waters.

On January 10, 2025, Sable submitted a written response to the Water Board's December 2024 letters. On January 13, 2025, Sable submitted a written response to CDFW's December 2024 Notice of Potential Violation. On January 22, 2025, the Water Board issued two additional letters to Sable related to the Pipelines: (i) a Second and Final Notice of Non-Compliance for an alleged failure to obtain coverage under the Water Board's General Permit for Construction Stormwater Discharges in Santa Barbara, San Luis Obispo, and Kern Counties; and (ii) an order requiring Sable to submit a technical report associated with the discharge of earthen material to waters of the state.

On January 31, 2025, Sable submitted an application to the Water Board for regulatory coverage for the alleged discharge of waste to waters of the state at the location identified in the Water Board's December 13, 2024, Notice of Violation, and coverage was approved and issued by the Water Board on March 20, 2025. On February 18, 2025, Sable submitted an application to CDFW for the same site, that application was deemed complete in March 2025, and work at the site was approved to proceed in May 2025. On February 21, 2025, the Company submitted a written response to the Water Board's Second and Final Notice of Non-Compliance. On March 7, 2025, Sable submitted its initial responses to the Water Board's order requiring Sable to submit a technical report, and on April 15, 2025, the Company submitted a supplemental response, that Sable committed to provide in its March initial response.

Sable submitted after-the-fact permitting applications to the Water Board and CDFW with respect to potential discharges at the four sites identified in CDFW's December 2024 notice during the first two weeks of March 2025. The Water Board provided responses and requests for additional information in April 2025, to which the Company provided supplemental information on April 25, 2025. These sites were fully permitted by the Water Board in June 2025 and by CDFW as of September 2025.

On April 15, 2025, the Water Board issued a second Notice of Violation to the Company for an alleged failure to provide a sufficient response to the Water Board's request for a technical report and continued allegations of unauthorized discharges. On that same day, the Company submitted to the Water Board further responses and additional information in response to the Water Board's request for a technical report, in which the Company identified additional sites that may require after-the-fact permitting. On April 17, 2025, the Water Board issued Resolution R3-2025-0024, which referred any assessment of civil liability, injunctive and declaratory relief against the Company for its alleged violations of the California Water Code to the California Attorney General via the California Superior Court. After the issuance of Resolution R3-2025-0024, the Company continued to work with the Water Board and CDFW to identify locations and submit additional after-the-fact permit applications. On July 24, 2025, the Water Board issued a third Notice of Violation, requiring the Company to provide additional information in order to satisfy the request for a technical report, to which the Company timely responded on August 13, 2025 with all requested information. As of November 11, 2025, the Water Board and CDFW have each has issued permits for five locations identified by the Water Board, CDFW, and the Company. Nine additional locations (for a total of 14) are awaiting final approvals from both the Water Board and CDFW. Based on the information provided by Sable in response to the Notices of Non-Compliance associated with the Water Board's General Permit for Construction Stormwater Discharges, the Water Board is not further requiring Sable to obtain coverage under that permit for the work performed.

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On September 16, 2025, the Santa Barbara County District Attorney’s office filed a criminal Complaint in Santa Barbara County Superior Court, with 21 Counts being pursued (sixteen (16) misdemeanors and five (5) felonies) for alleged violation of the California Fish & Game Code and Water Code. The Complaint references some of the 14 locations where the Company has already sought after-the-fact permitting from the Water Board and CDFW, but also includes other locations where neither the Water Board nor the CDFW are requiring any further action or permitting. The Company has retained counsel for defense. On October 3, 2025, the Water Board filed a civil action in Santa Barbara County Superior Court alleging that the Company failed to secure permits at the 14 locations prior to undertaking the work, though the Complaint also notes the Company’s after-the-fact permitting efforts. The Complaint also alleges failure to comply with the request for a technical report. The Water Board is seeking civil penalties and potentially limited injunctive relief.

County Permit Transfer Matter

In October 2024, the County of Santa Barbara’s Planning Commission approved the transfer of the Final Development Permits for the SYU, POPCO Facility and Pipelines from Exxon and certain of its subsidiaries to the Company and its subsidiaries, PPC and POPCO, pursuant to Santa Barbara County Code Chapter 25B. That approval was appealed by various environmental advocacy groups to the Board of Supervisors. On February 25, 2025, the Board of Supervisors heard the appeals but, despite a County staff recommendation to reject them, did not decide them, splitting 2-2 in a tie vote. As the appeals did not reverse the Planning Commission’s decision, the Company thereafter sought the permit transfers from the County, but was unsuccessful.

On May 8, 2025, the Company, its subsidiaries, PPC and POPCO, and Exxon and certain of its subsidiaries filed suit against the County of Santa Barbara and Board of Supervisors seeking a writ of mandamus directing Santa Barbara County to issue updated Final Development Permits reflecting the Sable plaintiffs as holders thereof, for declaratory relief finding that the County’s Chapter 25B ordinances violate the 5th and 14th amendments and Supremacy Clause of the Constitution and for damages. On September 12, 2025, after hearing, the court issued an order of mandate requiring that “within 60 days of service of the writ of mandate on the Board, hold a de novo public hearing to affirm, reverse, or modify the Planning Commission’s decision regarding Petitioners/Plaintiffs’ Final Development Permit applications in this action in compliance with Santa Barbara County Code Chapter 25B-8, 9, and 10. If the Board is unable to reach a vote that affirms, reverses, or modifies the Planning Commission’s decision, the Board shall hold another de novo public hearing within 45 days, and if unable again, every 45 days thereafter.” The County set a hearing in this matter pursuant to the writ of mandate for November 4, 2025, and at that hearing the Board voted to continue the hearing until December 16, and directed County Staff to prepare findings that would grant the appeals and deny the transfer of the permits to Sable for consideration at that hearing. The litigation has been stayed pending the final action at the Board of Supervisors’ re-hearing, after which the matter will return to federal court.

Johnson Class Action / Kelly Derivatives Claim

On July 28, 2025, shareholder Tracy Johnson filed a putative class action complaint against the Company in the U.S. District Court for the Central District of California, captioned Johnson v. Sable Offshore Corp., et al., Case No. 2:25-cv-06869 (C.D. Cal.). The complaint alleged violations of Sections 10(b) and 20(a) of the Exchange Act of 1934 and Sections 11, 12(a)(2), and 15 of the Securities Act of 1933, on behalf of a putative class of investors who purchased or acquired Sable’s publicly traded securities between May 19, 2025 and June 3, 2025, when the Company engaged in a public offering, and/or pursuant and/or traceable to the offering. The complaint named as defendants the Company, certain of its officers, and the underwriters in the offering.

On October 27, 2025, the Court appointed a lead plaintiff. On November 10, 2025, the lead plaintiff filed an amended complaint purportedly on behalf of persons or entities who purchased or otherwise acquired publicly traded Sable securities between May 19, 2025 and November 4, 2025. The amended complaint drops the claims under the Securities Act of 1933 and drops the underwriters as defendants. The amended complaint alleges, among other things, that the Company and certain of its officers made false and misleading statements or failed to disclose certain information regarding the Company’s business activities at the Santa Ynez Unit. The plaintiffs seek damages, costs, expenses, expert and attorneys’ fees, and other unspecified relief. Motions to dismiss are due on November 24, 2025, and a hearing on any motions to dismiss will be held on January 5, 2026. The Company intends to vigorously defend against the claims in this lawsuit.

On August 21, 2025, shareholder Bryce Kelly filed a verified shareholder derivative complaint, purportedly on behalf of the Company, in the U.S. District Court for the Central District of California, captioned Kelly v. Flores, et al., Case No. 2:25-cv-07848 (C.D. Cal.). The complaint names as defendants the members of the Board of Directors of the Company, certain officers of the Company, and the underwriters of the Company’s May 2025 public offering. The complaint alleges claims for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment, waste of corporate assets, contribution under Section 10(b) and 21D of the Exchange Act of 1934, and contribution under Section 11(f) of the

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Securities Act of 1933, based on similar factual allegations to those at issue in the Johnson case. The case is at a preliminary stage.

CalGem

On May 9, 2025, the California Department of Conservation's Geologic Energy Management Division ("CalGEM") issued a letter to the Company asserting that the Company must post a bond of approximately \$31.9 million, submit certain oil spill contingency response and management plans for CalGEM's review, and indicating that the failure to timely respond could result in civil penalties of up to \$50,000 per day/per violation. Sable disputes that CalGEM possesses jurisdiction to impose those requirements.

California Senate Bill 237

On September 13, 2025, the California Legislature passed Senate Bill 237 ("SB 237"). On September 19, 2025, Governor Gavin Newsom signed SB 237 into law. SB 237 added Section 51014.1 to the California Government Code, which requires that an "existing oil pipeline ... that has been idle, inactive, or out of service for five years or more, shall not be restarted without passing a spike hydrostatic testing program." SB 237 also amends Section 30262 of the California Coastal Act to provide that the "[r]epair, reactivation, [] maintenance," or "[d]evelopment associated with the repair, reactivation or maintenance of an oil pipeline that has been idled, inactive or out of service for five years or more" must obtain a "new coastal development permit."

On September 29, 2025, Sable filed a Complaint for Declaratory Relief against the State of California in Kern County Superior Court seeking a declaratory judgment that the Onshore Pipeline is not subject to SB 237 because the Onshore Pipeline is not "idle, inactive, or out of service," and because the Legislature did not give SB 237 retroactive effect. Sable intends to vigorously prosecute the action.

Components of Results of Operations

Revenue

The Company has not had any substantial revenues since the shut-in. The Company's various operating expenses are the principal metrics used to assess its performance.

Operating Expenses

- *Operations and maintenance.* The Company's most significant costs to operate and maintain its assets are direct labor and supervision, power, repair and maintenance expenses, and equipment rentals. Fluctuations in commodity prices impact operating cost elements both directly and indirectly. For example, commodity prices directly impact costs such as power and fuel, which are expenses that increase (or decrease) in line with changes in commodity prices. Commodity prices also affect industry activity and demand, thus indirectly impacting the cost of items such as labor and equipment rentals.
- *Depreciation, depletion, amortization, and accretion.* Depreciation, depletion and amortization are primarily determined under either the unit-of-production method or the straight-line method, which is based on estimated asset service life taking obsolescence into consideration. Since being shut in, no depletion or amortization has been recorded for the Successor periods presented. An immaterial amount of depreciation was reflected for idle plants in the historical Predecessor financial statements. Also included in the Successor and Predecessor financial statements is the accretion associated with the Company's estimated asset retirement obligations ("ARO"). The ARO liabilities are initially recorded at their fair value and then are accreted using the Company's applicable discount rate over the period for the change in their present value until the estimated retirement of the asset.
- *General and administrative.* General and administrative ("G&A") costs are comprised of overhead expenditures directly and indirectly associated with operating the assets. These support services include information technology, risk management, corporate planning, accounting, cash management, human resources, and other general corporate services. For the Predecessor period, any general and administrative expenses that were not specifically identifiable to SYU were allocated to SYU for the period from January 1, 2024 to February 13, 2024. To calculate a reasonable allocation, aggregated historical benchmarking data from comparable companies with similar operated upstream assets was used to identify general and administrative expenses as a proportion of operating expenses. Increased general and administrative services may be required in the future, commensurate with planned operations activity levels.

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- *Taxes other than income.* Management anticipates future increases in ad valorem taxes, in line with the projected restarting sales of production volumes.

Results of Operations

The comparability of our operating results for the three and nine months ended September 30, 2025 (Successor), the three months ended September 30, 2024 (Successor), the period February 14, 2024 through September 30, 2024 (Successor), and for the period January 1, 2024 through February 13, 2024 (Predecessor) was impacted by the Business Combination. In the discussion of our results of operations for these periods, we may quantitatively disclose the impacts of the Business Combination to the extent they remain ascertainable. The entirety of our activity since inception through the Closing Date were related to our formation, the preparation for our initial public offering, and since the closing of our initial public offering, the search for a target for our initial business combination (Refer to *Note 1 — Organization, Business Operations, and Going Concern*).

Following the Closing Date, all of our operations have focused on recommencing sales of production from the SYU Assets. We lack the ability to generate any operating revenues until we receive the necessary regulatory and legal approvals to recommence sales of production. Our primary source of non-operating income is generated in the form of interest income on cash and cash equivalents. We also expect to continue to incur additional expenses as a result of being an operating public company, including for legal, accounting and compliance expenses.

Three Months Ended September 30, 2025 (Successor) vs. Three Months Ended September 30, 2024 (Successor)

The following table presents selected unaudited condensed consolidated financial results of operations for the Successor periods presented.

(in thousands)	Successor		Increase (Decrease)	
	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	\$	%
Revenue				
Oil and gas sales	\$ —	\$ —	\$ —	—%
Total Revenue	—	—	—	
Operating Expenses				
Operations and maintenance expenses	79,405	25,629	53,776	210%
Depletion, depreciation, amortization and accretion	3,259	2,755	504	18%
General and administrative expenses	36,719	26,225	10,494	40%
Total operating expenses	119,383	54,609	64,774	119%
Loss from operations	(119,383)	(54,609)	(64,774)	119%
Other (income) expenses:				
Change in fair value of warrant liabilities	(34,817)	178,199	(213,016)	nm
Other (income) expense, net	(1,828)	2,728	(4,556)	nm
Interest expense	21,010	19,169	1,841	10%
Total other (income) expense, net	(15,635)	200,096	(215,731)	nm
Loss before income taxes	(103,748)	(254,705)	150,957	(59)%
Income tax expense	6,630	865	5,765	nm
Net loss	\$ (110,378)	\$ (255,570)	\$ 145,192	(57)%

nm: not meaningful

Operating and maintenance expenses. Operating and maintenance expenses were \$79.4 million for the three months ended September 30, 2025 (Successor), representing an increase of \$53.8 million, or 210%, compared to \$25.6 million for the three months ended September 30, 2024 (Successor). The increase in operating and maintenance expenses is primarily attributable to additional maintenance expenses incurred in connection with restart efforts, which includes an 81% increase in operations employee headcount between reporting periods, and \$16.0 million related to operator rights expenditures, partially offset by \$1.6 million of operating expense capitalized as Inventory and other on the unaudited condensed consolidated balance sheet as of September 30, 2025. Operations and maintenance expenses are expected to remain elevated for the remainder of 2025.

Depletion, depreciation, amortization and accretion. Depletion, depreciation, amortization and accretion was \$3.3 million for the three months ended September 30, 2025 (Successor), representing an increase of \$0.5 million, or 18%, compared to \$2.8 million for the three months ended September 30, 2024 (Successor). The increase in depletion, depreciation, amortization and accretion is primarily attributable to the compounding effect of ARO accretion. The depletion, depreciation, amortization and accretion expense recognized for the three months ended September 30, 2025 (Successor) primarily represents the recognition of ARO accretion for the period. Recognition of depletion expense will resume once the assets are placed in service and sales volumes are achieved. Depletion, depreciation and amortization of \$3.6 million associated with the SYU assets was recognized during the three months ended September 30, 2025 (Successor); however, as the associated production remained in the Company's storage tanks as of September 30, 2025, the onshore volumes have been capitalized as Inventory and other on the unaudited condensed consolidated balance sheet. Depletion, depreciation, amortization and accretion expense is expected to increase following the commencement of sales of production.

General and administrative expenses. G&A expenses were \$36.7 million for the three months ended September 30, 2025 (Successor), representing an increase of \$10.5 million, or 40%, compared to \$26.2 million for the three months ended September 30, 2024 (Successor). The increase in G&A expenses is primarily attributable to \$4.6 million in higher compensation related to an 11% increase in general and administrative employee headcount, and \$5.8 million in higher legal costs for the three months ended September 30, 2025 (Successor) related to ongoing legal and regulatory matters.

Total other (income) expense, net. Total other (income) expense, net was \$15.6 million in other income for the three months ended September 30, 2025 (Successor), representing a change of \$215.7 million compared to other expense of \$200.1 million for the three months ended September 30, 2024 (Successor). The change in total other (income) expense, net was primarily attributable to a \$213.0 million change in the fair value of warrants, which decreased due to the remaining term of the warrants, a decrease in the market price of the Common Stock, and the effects of market volatility. The \$4.6 million change in other (income) expense, net is attributable to \$5.0 million of other expense recognized during the three months ended September 30, 2024 (Successor) related to the First Amendment to the Senior Secured Term Loan (Refer to Note 6 — Debt for additional details regarding the First Amendment to the Senior Secured Term Loan) and a \$1.8 million increase in interest expense due to the higher debt balance for the three months ended September 30, 2025 (Successor).

Income tax expense. Income tax expense for the three months ended September 30, 2025 (Successor) was \$6.6 million, representing an increase of \$5.8 million compared to \$0.9 million for the three months ended September 30, 2024 (Successor). Utilizing provisions of ASC 740, the Company's effective tax rate was negative 6.4% and negative 0.3% for the three months ended September 30, 2025 (Successor) and the three months ended September 30, 2024 (Successor), respectively. The negative tax rates were due to our ongoing assessment of our ability to recover our deferred tax assets, in which we concluded that it was more likely than not that our deferred tax assets in excess of deferred tax liabilities would not be realized. The income tax rate was higher due to the cumulative effect of the annual tax rate decrease recognized during the three months ended September 30, 2024 (Successor).

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Nine Months Ended September 30, 2025 (Successor) vs. the periods from January 1, 2024 through February 13, 2024 (Predecessor) and February 14, 2024 through June 30, 2024 (Successor).

The following table presents selected unaudited condensed consolidated financial results of operations for the Successor and Predecessor periods presented.

<i>(in thousands)</i>	Successor		Predecessor	Increase (Decrease)	
	Nine Months Ended September 30, 2025	February 14, 2024— September 30, 2024	January 1, 2024— February 13, 2024	\$	%
Revenue					
Oil and gas sales	\$ —	\$ —	\$ —	\$ —	—
Total Revenue	—	—	—	—	—
Operating Expenses					
Operations and maintenance expenses	164,246	59,241	7,320	97,685	147 %
Depletion, depreciation, amortization and accretion	9,452	6,856	2,627	(31)	— %
General and administrative expenses	134,369	209,890	1,714	(77,235)	(36) %
Total operating expenses	308,067	275,987	11,661	20,419	7 %
Loss from operations	(308,067)	(275,987)	(11,661)	(20,419)	7 %
Other (income) expenses:					
Change in fair value of warrant liabilities	(40,668)	257,614	—	(298,282)	nm
Other (income) expense	(7,776)	(72)	128	(7,832)	nm
Interest expense	63,029	48,145	—	14,884	nm
Total other expense, net	14,585	305,687	128	(291,230)	nm
Loss before income taxes	(322,652)	(581,674)	(11,789)	270,811	(46) %
Income tax expense	25,336	19,437	—	5,899	nm
Net loss	\$ (347,988)	\$ (601,111)	\$ (11,789)	\$ 264,912	(43) %

nm: not meaningful

Operating and maintenance expenses. Operating and maintenance expenses were \$164.2 million for the nine months ended September 30, 2025 (Successor), representing an increase of \$97.7 million, or 147%, compared to \$7.3 million for the period from January 1, 2024 through February 13, 2024 (Predecessor) and \$59.2 million for the period February 14, 2024 through September 30, 2024 (Successor), respectively, or a combined \$66.6 million. The increase in operating and maintenance expenses is primarily attributable to additional maintenance expenses incurred in connection with restart efforts, which includes a 152% increase in operations employee headcount since the Closing Date, \$16.0 million related to operator rights expenditures, and \$6.6 million related to restart incentive compensation, partially offset by \$5.5 million of operating expense capitalized as Inventory and other on the unaudited condensed consolidated balance sheet as of September 30, 2025. Operations and maintenance expenses are expected to remain elevated for the remainder of 2025.

Depletion, depreciation, amortization and accretion. Depletion, depreciation, amortization and accretion was \$9.5 million for the nine months ended September 30, 2025 (Successor), representing an increase of less than \$0.1 million, or less than 1%, compared to \$2.6 million for the period January 1, 2024 through February 13, 2024 (Predecessor) and \$6.9 million for the period February 14, 2024 through September 30, 2024 (Successor), respectively, or a combined \$9.5 million. The consistent depletion, depreciation, amortization and accretion is attributable to the Company not recognizing depreciation expense following the Business Combination, as the Company determined the assets were not in service since repairs are necessary prior to achieving production restart, offset by the compounding effect of ARO accretion. Depletion, depreciation and amortization of \$5.4 million associated with the SYU assets was recognized during the nine months ended September 30, 2025 (Successor); however, as the associated production remained in the Company's storage tanks as of September 30, 2025, the entire amount has been capitalized as Inventory and other on the unaudited condensed consolidated balance sheet. The depletion, depreciation, amortization and accretion expense recognized for the nine months ended September 30, 2025 (Successor) primarily represents the recognition of ARO accretion for the period. Recognition of depletion expense will resume once the assets are placed in service and sales volumes are achieved. Depletion, depreciation, amortization and accretion expense is expected to increase prior to our commencement of sales of production.

General and administrative expenses. G&A expenses were \$134.4 million for the nine months ended September 30, 2025 (Successor), representing a decrease of \$77.2 million compared to \$1.7 million for the period January 1, 2024 through February 13, 2024 (Predecessor) and \$209.9 million for the period February 14, 2024 through September 30, 2024 (Successor), respectively, or a combined \$211.6 million. The decrease in G&A expenses is primarily attributable to the \$70.0 million accrued settlement of the Grey Fox Matter (Refer to *Note 8 — Commitments and Contingencies*), \$16.8 million in legal expenses and professional fees related to the Business Combination that were recognized for the period February 14, 2024 through September 30, 2024 (Successor) and a \$56.8 million decrease in share-based compensation expense between reporting periods. Such decreases were partially offset by \$35.7 million in higher compensation related to restart incentive compensation costs and the recognition of salaries and wages for the full nine months ended September 30, 2025 (Successor), compared to the Successor period February 14, 2024 through September 30, 2024. Predecessor G&A expenses were allocated to SYU as a portion of certain other operating costs based on aggregated historical benchmarking data as previously noted (Refer to *Note 2 — Significant Accounting Policies*).

Total other expense, net. Total other expense, net was \$14.6 million for the nine months ended September 30, 2025 (Successor), representing a decrease of \$291.2 million compared to other expense of \$0.1 million for the period January 1, 2024 through February 13, 2024 (Predecessor) and other expense of \$305.7 million for the period February 14, 2024 through September 30, 2024 (Successor), respectively, or a combined expense of \$305.8 million. The decrease in total other expense, net was primarily attributable to a decrease of \$298.3 million in the fair value of the warrants, due to fewer warrants outstanding for the nine months ended September 30, 2025 (Successor) after all public warrants were redeemed during the year ended December 31, 2024, and due to an increase in the market price of the Common Stock in the prior year compared to a decrease in the market price of the Common Stock in the current period, and a \$7.8 million decrease in Other (income) expense attributable to \$5.0 million of other expense recognized during the period February 14, 2024 through September 30, 2024 (Successor) related to the First Amendment to the Senior Secured Term Loan (Refer to *Note 6 — Debt* for additional details regarding the First Amendment to the Senior Secured Term Loan), paired with a decrease in interest income due to the lower cash balance over the comparative periods, partially offset by \$14.9 million in higher interest expense for the nine months ended September 30, 2025 (Successor) due to higher debt balance over the comparative periods. The Predecessor did not have any debt or associated interest expense, warrants, or interest income.

Income tax expense. Income tax expense for the nine months ended September 30, 2025 (Successor) was \$25.3 million, representing an increase of \$5.9 million compared to zero for the period January 1, 2024 through February 13, 2024 (Predecessor) and \$19.4 million for the period February 14, 2024 through September 30, 2024 (Successor), respectively, or a combined \$19.4 million. Utilizing provisions of ASC 740, the Company's effective tax rate was negative 7.9%, and negative 3.3% for the nine months ended September 30, 2025 (Successor) and the period February 14, 2024 through September 30, 2024 (Successor) respectively. The negative tax rates were due to our ongoing assessment of our ability to recover our deferred tax assets, in which we concluded that it was more likely than not that our deferred tax assets in excess of deferred tax liabilities would not be realized. The negative income tax rate was greater due to lower forecasted pre-tax book loss for the full year.

Liquidity and Capital Resources

Overview. Our plans for recommencing sales of production volumes, including restarting the remainder of the existing wells and facilities that have not been restarted and recommencing oil transportation via OS&T or through the Onshore Pipelines, will require significant capital expenditures in excess of current operational cash flow. Historically, SYU's primary source of liquidity has been its operational cash flow and, since the shut-in, capital contributions from its parent. While production has restarted, prior to generating sales and positive cash flow from production, our capital expenditure needs will be substantial.

As of September 30, 2025, we had unrestricted cash and cash equivalents of \$41.6 million. Our total debt as of September 30, 2025 was \$896.6 million, comprised of principal and paid-in-kind accrued interest on our Senior Secured Term Loan, which matures on January 9, 2026, but is expected to be extended to the earlier of (i) March 31, 2027 or (ii) the date falling 90 days after first sales of Hydrocarbons (as defined in the Senior Secured Term Loan) upon effectiveness of the Second Debt Amendment (see further discussion of the Second Debt Amendment at *Note 6 — Debt* in the consolidated financial statements). To date, we have pursued recommencement of oil sales by restarting production of the SYU Assets and returning the Onshore Pipeline to service. We are currently evaluating and pursuing an OS&T strategy and have curtailed substantially all capital expenditures relating to the Onshore Pipeline and onshore processing facility. If commercial sales through the Onshore Pipeline and onshore processing facility were to become available in the future, we expect to pursue

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such onshore sales, which would require incurring such curtailed onshore expenses, in addition to the OS&T expenses discussed here.

Prior to the Business Combination, Flame had approximately \$62.2 million in its trust account, which consisted of proceeds from the public stockholders and the private placement investors in connection with the Company's initial public offering, less redemptions. Sable raised \$440.2 million in gross proceeds from the First PIPE Investment in connection with the Business Combination, \$150.0 million in gross proceeds from the Second PIPE Investment, and approximately \$183.5 million from the exercise of 15,957,820 warrants for 15,957,820 shares of Common Stock. Additionally, more than \$600 million of the Purchase Price was seller-financed through a secured Senior Secured Term Loan with EM. In May 2025, the Company raised an additional \$295.0 million in gross proceeds from the sale of 10,000,000 shares of Common Stock in the 2025 Offering. In November 2025, the Company raised an additional \$250.0 million in gross proceeds from the sale of 45,454,546 shares of Common Stock in the Third PIPE Investment. Based on its current financial plan, Sable management expects sales production to commence in the fourth quarter 2026, after which its operating cash flows are expected to be sufficient to service Sable's operating expenses and indebtedness. However, such expectation is dependent on the results of the remaining regulatory and legal approvals required to recommence sales of production via the Onshore Pipeline or the OS&T.

Capital Requirements. Sable currently estimates no remaining start-up expenses to recommence oil sales via the Onshore Pipelines, other than those required to obtain necessary regulatory approvals. If we implement the OS&T offtake strategy, we currently estimate remaining start-up expenses of approximately \$450.0 million to recommence offshore oil sales. The expenditures will primarily be directed towards preparing for the implementation of an OS&T offtake strategy, including the procurement of a suitable vessel and necessary upgrade and installation costs with respect to such vessel and our platforms, obtaining necessary regulatory approvals and recommencing oil sales in the fourth quarter of 2026. We cannot assure you that our assumptions used to estimate our liquidity requirements, our anticipated cost savings or reductions, or the costs required to achieve operations under the OS&T strategy will be correct, as we have not previously undertaken such actions and as a consequence, our ability to predict such amounts is uncertain and may be impacted by factors outside of our control. After receipt of clearance from BOEM, we intend to pursue additional financing options, which may include the issuance of public or private debt securities, bank financing or a combination thereof. However, there can be no assurance that we will be able to obtain such additional financing on commercially agreeable terms, or at all.

Management evaluates its cost estimates on an ongoing basis. The expenditures will primarily be directed toward obtaining the necessary regulatory and legal approvals and configuring the OS&T to meet our operational needs. After sales of production commences, Sable management expects a rapid increase in operating cash flows that should allow Sable to fund further capital expenditures. If Sable is unable to obtain funds or provide funds as needed for the planned capital expenditure program, Sable may not be able to finance the capital expenditures necessary to restart production sales or sustain production thereafter.

Going Concern

Prior to the Business Combination, EM funded the Predecessor SYU operational expenses. Since the consummation of the Business Combination, Sable has addressed near-term capital funding needs with the First PIPE Investment, the Second PIPE Investment, proceeds from the exercise of Warrants (refer to *Note 7 — Warrants* for additional details regarding the warrant exercises), net proceeds from the 2025 Offering, and the Third PIPE Investment. However, the Company's plans for recommencement of sales of production are contingent upon approvals from federal, state and local regulators.

Following the Closing Date and through September 30, 2025, the Successor reported unrestricted cash of \$41.6 million, total debt of \$896.6 million, and an accumulated deficit of \$1.0 billion. Additionally, the achievement of first production triggered the acceleration of the Senior Secured Term Loan maturity date to 240 days after the production restart date, or January 9, 2026, but is expected to be extended to the earlier of (i) March 31, 2027 or (ii) the date falling 90 days after first sales of Hydrocarbons (as defined in the Senior Secured Term Loan) upon effectiveness of the Second Debt Amendment (refer to *Note 6 — Debt* for additional details regarding the Second Debt Amendment).

Additionally, if the Company's estimates of the costs to reach first sales are less than the actual amounts necessary to do so, the Company may have insufficient funds available to operate its business prior to first sales and will need to raise additional capital. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, among other things, reducing overhead expenses.

Due to the remaining regulatory and legal approvals necessary to implement either the Pipeline Strategy or OS&T Strategy, and resume sales of production volumes, and lack of assurance that new financing, or refinancing of the Senior Secured Term Loan, will be available to the Company on commercially acceptable terms, if at all, substantial doubt exists about the

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Company's ability to continue as a going concern. The financial statements included in this quarterly report do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that could be necessary if the Company is unable to continue as a going concern.

Cash Flows

The following table summarizes cash flows from Operating, Investing and Financing activities:

	Successor		Predecessor	Change	
	Nine Months Ended September 30, 2025	February 14, 2024— September 30, 2024	January 1, 2024— February 13, 2024	\$	%
<i>(dollars in thousands)</i>					
Cash flows (used in) provided by:					
Operating activities	\$ (253,574)	\$ (125,509)	\$ (22,474)	\$ (105,591)	(71)%
Investing activities	(323,093)	(222,728)	—	(100,365)	(45)%
Financing activities	282,524	618,387	22,474	(358,337)	(56)%
Net change in cash and cash equivalents	\$ (294,143)	\$ 270,150	\$ —		

Cash Flows from Operating Activities. Since the regulatory and legal approvals required to restart Lines 324 and 325 have not been received, no operating revenues have been recognized for the comparative periods. The net cash used in operating activities for the Company was \$253.6 million for the nine months ended September 30, 2025 (Successor), representing an increase in cash used in operating activities of \$105.6 million, or 71%, compared to net cash used in operating activities of \$22.5 million for the period January 1, 2024 through February 13, 2024 (Predecessor) and \$125.5 million net cash used in operating activities from February 14, 2024 through September 30, 2024 (Successor), respectively, or a combined \$148.0 million. The primary use of cash can be attributed to maintenance and operational readiness activities in the Predecessor and Successor periods, with additional general and administrative costs incurred post the Business Combination in the Successor period.

For the nine months ended September 30, 2025 (Successor), we had a net loss of \$348.0 million, which consists of a non-cash decrease of \$40.7 million in fair value of the warrants, non-cash stock-based compensation of \$30.0 million, non-cash paid-in-kind interest of \$62.6 million, non-cash depreciation, depletion, amortization and accretion of \$9.5 million, and non-cash tax expense of \$25.3 million. Changes in accounts payable for the period of \$20.7 million is primarily attributable to the increase in vendor payables associated with the restart efforts. For the period January 1, 2024 through February 13, 2024 (Predecessor), SYU incurred a net loss of \$11.8 million and for the period February 14, 2024 through September 30, 2024 (Successor) the Company incurred a net loss of \$601.1 million, respectively, or a combined \$612.9 million. Our combined net loss was partially offset by a non-cash change in the fair value of our warrant liabilities of \$257.6 million, non-cash stock based compensation of \$86.0 million, non-cash paid-in-kind interest \$47.3 million, and non-cash deferred tax expense of \$19.4 million. Changes in accounts payable of \$46.6 million is primarily attributable to the Grey Fox Matter settlement, with \$35.0 million in accounts payable and accrued liabilities as of September 30, 2024 (Refer to *Note 2 — Significant Accounting Policies*). Future cash flow from operations will depend on our ability to recognize sales of production volumes, as well as the prices of oil, natural gas and NGLs.

Cash Flows from Investing Activities. Net cash used in investing activities was \$323.1 million for the nine months ended September 30, 2025 (Successor), representing an increase in cash used in investing activities of \$100.4 million, or 45%, compared to the net cash used investing activities of zero for the period January 1, 2024 through February 13, 2024 (Predecessor) and \$222.7 million for the period February 14, 2024 through September 30, 2024 (Successor), or a combined \$222.7 million. Investing cash flow for the nine months ended September 30, 2025 (Successor) consists of cash paid for capital expenditures associated with restart efforts and for the period February 14, 2024 through September 30, 2024 (Successor) is almost entirely comprised of \$204.2 million paid to EM at Closing per settlement statement. There was no net cash used in investing activities for the Predecessor period since the SYU Assets had been shut in since 2015 and had no investing activities.

Cash Flows from Financing Activities. Net cash provided by financing activities was \$282.5 million for the nine months ended September 30, 2025 (Successor), consisting of \$295.0 million of gross proceeds from the 2025 Offering and related paid fees of \$12.5 million. Net cash provided by financing activities for the period January 1, 2024 through February 13, 2024 (Predecessor) was \$22.5 million and net cash provided by financing activities for the period February 14, 2024 through September 30, 2024 (Successor) was \$618.4 million, respectively, or a combined \$640.9 million.

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Financing activities for the period January 1, 2024 through February 13, 2024 (Predecessor) consists of EM capital contributions financing the maintenance and operational readiness activities. Financing activities for the period February 14, 2024 through September 30, 2024 (Successor) are comprised of \$440.2 million of gross proceeds from the First Pipe Investment, \$150.0 million of gross proceeds from the Second PIPE Investment, or \$590.2 million in aggregate gross private offering proceeds, net of \$22.9 million of capitalized transaction expenses, or \$567.4 million net, plus \$72.5 million net cash received from warrant exercises, less deposit paid to EM for the Term Loan of \$18.8 million, payment of debt issuance costs of \$1.5 million, and repayment of Flame non-convertible promissory notes — related parties for \$1.1 million.

Contractual Obligations

Pursuant to the Senior Secured Term Loan, which financed most of the Purchase Price (as defined in the Senior Secured Term Loan), Sable will pay interest at ten percent (10%) per annum compounded annually, payable in arrears on January 1st of each year. At Sable's election, accrued but unpaid interest may be deemed paid on each interest payment date by adding the amount of interest owed to the outstanding principal (paid-in-kind) amount under the Senior Secured Term Loan. On December 13, 2024, the Company entered into the Fourth Amendment to the Sable-EM Purchase Agreement, pursuant to which the following definitions were amended. "Restart Production" was redefined as 150 days after first production, extending the maturity date of the EM Term Loan by 60 days. "Restart Failure Date" was extended an additional 60 days to March 1, 2026.

On May 19, 2025, the Company announced that as of May 15, 2025, it had restarted production at SYU and begun flowing oil production from six wells at SYU's Platform Harmony to LFC. Additionally, with the completion of the Gaviota State Park anomaly repairs on the Onshore Pipeline on May 18, 2025, the Company completed its anomaly repair program on the Onshore Pipeline as specified by the Consent Decree, the governing document for the restart and operations of the Onshore Pipeline. As a result of Restart Production the Senior Secured Term Loan must be refinanced or otherwise paid in full within 240 days following such first production date, or January 9, 2026, but is expected to be extended to the earlier of (i) March 31, 2027 or (ii) the date falling 90 days after first sales of Hydrocarbons (as defined in the Senior Secured Term Loan) upon effectiveness of the Second Debt Amendment (refer to *Note 6 — Debt* for additional details regarding the Second Debt Amendment).

Additional obligations include the performance of ARO as referenced under "*Critical Accounting Policies and Estimates—Asset Retirement Obligations*" below.

Off Balance Sheet Arrangements

As of September 30, 2025, the Company had no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of unaudited condensed consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates.

Property, Plant and Equipment.

Cost Basis. Oil and gas producing activities are accounted for under the successful efforts method of accounting. Under this method, costs are accumulated on a field-by-field basis. Costs incurred to purchase, lease, or otherwise acquire a property (whether unproved or proved) are capitalized when incurred. Exploratory well costs are carried as an asset when the well has found a sufficient quantity of resources to justify its completion as a producing well and where sufficient progress assessing the resources and the economic and operating viability of the project is being made. Exploratory well costs not meeting these criteria are charged to expense. Other exploratory expenditures, including geophysical costs and annual lease rentals, are expensed as incurred. Development costs, including costs of productive wells and development dry holes, are capitalized.

Other Property and Equipment. Other property and equipment primarily consist of onshore midstream facilities, transportation assets and assets related to the Company's corporate office (the "Office Assets"). Due to the nature of such assets, the onshore midstream facilities are presented within oil and gas properties, while the transportation assets and the Office Assets are presented within other assets on the unaudited condensed consolidated balance sheets.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization are primarily determined under the unit-of-production method, which is based on estimated asset service life taking obsolescence into consideration.

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Acquisition costs of proved properties are amortized using a unit-of-production method, computed on the basis of total proved oil and natural gas reserve volumes. Capitalized exploratory drilling and development costs associated with productive depletable extractive properties are amortized using the unit-of-production rates based on the amount of proved developed resources of oil and gas that are estimated to be recoverable from existing facilities using current operating methods. Under the unit-of-production method, oil and natural gas volumes are considered produced once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the lease or field storage tank. Maintenance and repairs, including planned major maintenance, are expensed as incurred. Major renewals and improvements are capitalized and the assets replaced are retired.

The SYU Assets had previously been shut in since 2015 due to a pipeline incident but had been maintained by EM to preserve it in an operation-ready state and thus no depletion had been recognized prior to achieving first production on May 15, 2025. Depletion, depreciation and amortization of \$3.6 million and \$5.4 million associated with the SYU assets was recognized during the three and nine months ended September 30, 2025, respectfully; however, as the associated production remained in the Company's storage tanks as of September 30, 2025, the entire amount has been capitalized as Inventory and other on the unaudited condensed consolidated balance sheet. The recognition of depletion expense on the unaudited condensed consolidated statement of operations will commence upon the commencement of sales of production.

Oil Inventory. Production volumes for the period May 16, 2025 through September 30, 2025 were retained within the Company's storage tanks and recognized as short term oil inventory, and the associated depletion expense was capitalized, as noted above. ASC 330 dictates that inventory shall initially be valued at the price paid or consideration given to acquire an asset. By analogy, the Company capitalized the costs incurred that were directly attributable to producing and transporting the production to the onshore storage tanks, including associated depreciation, depletion, and amortization. Oil inventory is presented as a component of Inventory and other on the unaudited condensed consolidated balance sheet.

The Company has oil inventory storage capacity of 540 MBbls onshore at LFC. The Company generally expects the inventory volumes to fluctuate over time to maintain optimal operational efficiencies. The ending volume of inventory that remains in the onshore storage tanks is measured at the current period's cost, and a lower of cost or net realizable value assessment is performed for each reporting period.

Impairment Assessment. Assets are tested for recoverability on an ongoing basis whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Among the events or changes in circumstances which could indicate that the carrying value of an asset or asset group may not be recoverable are the following:

- a significant decrease in the market price of a long-lived asset;
- a significant adverse change in the extent or manner in which an asset is being used or in its physical condition, including a significant decrease in current and projected resource or reserve volumes;
- a significant adverse change in legal factors or in the business climate that could affect the value, including an adverse action or assessment by a regulator;
- an accumulation of project costs significantly in excess of the amount originally expected; and
- a current-period operating loss combined with a history and forecast of operating or cash flow losses.

We monitor for indicators of potential impairment throughout the year. This process is aligned with the requirements of ASC 360 and ASC 932. Asset valuation analysis, profitability reviews and other periodic control processes assist in assessing whether events or changes in circumstances indicate the carrying amounts of any of the assets may not be recoverable.

If events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, management estimates the future undiscounted cash flows of the affected properties to judge the recoverability of carrying amounts. In performing this assessment, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Cash flows used in recoverability assessments are based on assumptions which are developed by management and are consistent with the criteria management uses to evaluate investment opportunities. These evaluations make use of assumptions of future capital allocations, crude oil and natural gas commodity prices including price differentials, refining and chemical margins, volumes, and development and operating costs. Volumes are based on projected field and facility production profiles, throughput, or sales. Management's estimate of upstream production volumes used for projected cash flows makes use of proved reserve quantities and may include risk-adjusted unproved reserve quantities.

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An asset group is impaired if its estimated undiscounted cash flows are less than the asset group's carrying value. Impairments are measured by the amount by which the carrying value exceeds fair value. The assessment of fair value is based upon the views of a likely market participant. The principal parameters used to establish fair value include estimates of acreage values and flowing production metrics from comparable market transactions, market-based estimates of historical cash flow multiples, and discounted cash flows. Inputs and assumptions used in discounted cash flow models include estimates of future production volumes, throughput and product sales volumes, commodity prices which are consistent with the average of third-party industry experts and government agencies, refining and chemical margins, drilling and development costs, operating costs and discount rates which are reflective of the characteristics of the asset group.

Asset Retirement Obligations. The Company's ARO primarily relate to the future plugging and abandonment of oil and gas properties and related facilities. The fair values of these obligations are recorded as liabilities on a discounted basis, which is typically at the time the assets are installed. In the estimation of fair value, the Company uses assumptions and judgments regarding such factors as the existence of a legal obligation for an asset retirement obligation, technical assessments of the assets, estimated amounts and timing of settlements, discount rates, and inflation rates.

Derivative Warrant Liabilities. We do not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. We evaluate all of our financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and ASC 815-15. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

All of our outstanding warrants are recognized as derivative liabilities in accordance with ASC 815-40. Accordingly, we recognize the warrant instruments as liabilities at fair value and adjust the instruments to fair value at each reporting period. The liabilities are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in our statement of operations. The private placement warrants and the working capital warrants are measured at fair value using the Modified Black-Scholes Optional Pricing Model.

Emerging Growth Company; Smaller Reporting Company

We are an "emerging growth company," or EGC, as defined in Section 2(a) of the Securities Act, as modified by the JOBS Act, and it has elected to comply with certain reduced public company reporting requirements. Sable could remain an emerging growth company until the last day of the fiscal year following the fifth anniversary of the completion of the Company IPO. However, if (a) Sable's total annual gross revenue exceed \$1.235 billion, (b) Sable is deemed to be a large accelerated filer, which means the market value of Common Stock that is held by non-affiliates exceeds \$700.0 million as of the end of the prior fiscal year's second fiscal quarter, or (c) Sable's non-convertible debt issued within a three-year period exceeds \$1.0 billion, Sable would cease to be an emerging growth company as of the following fiscal year.

Additionally, we are a "smaller reporting company," or SRC, as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. Sable will be a smaller reporting company until the last day of any fiscal year for so long as either (1) the market value of Common Stock held by non-affiliates did not exceed \$250 million as of the prior June 30, or (2) Sable's annual revenues did not exceed \$100 million during such completed fiscal year and the market value of Common Stock held by non-affiliates did not exceed \$700 million as of the prior June 30.

We will no longer be an EGC or SRC as of December 31, 2025, after which we will not be able to take advantage of the reduced reporting and disclosure requirements discussed above.

Recent Accounting Pronouncements

Our management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on our financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2025. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2025, our disclosure controls and procedures (as defined in Rules 13a-15 (e) and 15d-15 (e) under the Exchange Act) were effective at the reasonable assurance level as of September 30, 2025. Accordingly, management believes that the financial statements included in this Quarterly Report on Form 10-Q present fairly in all material respects our financial position, results of operations and cash flows for the periods presented.

Changes in Internal Control over Financial Reporting

During the quarterly period covered by this report there have been no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Refer to Part I, Item 1, *Note 8 — Commitments and Contingencies* of this Quarterly Report for a full description of our material pending legal and regulatory matters.

Item 1A. Risk Factors.

Factors that could cause our actual results to differ materially from those in this report include the risks described under the heading “Risk Factors” included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (the “2024 10-K”). Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

As of the date of this Quarterly Report, there have been no material changes to the risk factors disclosed in the 2024 10-K, except as described below. The following additional risk factors should be read in conjunction with those previously disclosed. We may disclose changes to such risk factors or disclose additional risk factors from time to time in our future filings with the SEC.

In order to commence operations pursuant to an OS&T offtake strategy, we will require clearances and permitting, including from BOEM.

We may experience delays in obtaining or be unable to obtain required permits, including authorizations necessary to recommence oil sales pursuant to an OS&T offtake strategy, which may delay or interrupt our operations and limit our growth and revenue, or may impact our ability to repay or refinance the Senior Secured Term Loan, which, after the effectiveness of the Second Debt Amendment, will mature on the earlier of (i) March 31, 2027 or (ii) the date falling 90 days after first sales of Hydrocarbons (as defined in the Senior Secured Term Loan). In particular, prior to implementation of the OS&T Strategy, regulatory authorizations are required, including clearance from BOEM. If we do not receive regulatory clearances in a timely manner, we may not be able to reach commercial sales on our estimated timeline of the fourth quarter of 2026.

While the previous operator of the SYU assets was able to utilize an OS&T strategy to process SYU production in federal waters from 1981 to 1994 under previously issued permits, there is no assurance that we will be able successfully obtain the agency clearance or permits required to recommence oil sales pursuant to the OS&T Strategy or that no additional state or federal clearances or permits will be required in the future.

Under the terms of the Senior Secured Term Loan, the loans thereunder will mature on the earlier of (i) March 31, 2027 or (ii) the date falling 90 days after first sales of Hydrocarbons, and the terms on which we will be able to refinance the Senior Secured Term Loan will depend on then-prevalent market conditions.

The Senior Secured Term Loan matures on January 9, 2026. However, pursuant to the Second Debt Amendment, once effective, the Senior Secured Term Loan will mature on the earlier of (i) March 31, 2027 or (ii) the date falling 90 days after first sales of Hydrocarbons (as defined in the Senior Secured Term Loan). There is no guarantee that the Company will be able to satisfy the necessary conditions to effect the Second Debt Amendment. Additionally, our ability to obtain any refinancing of the Senior Secured Term Loan, and the terms of any such refinancing, will depend on market conditions at the time of any such refinancing. There can be no assurance that we will be able to obtain such refinancing on terms commercially acceptable to us, or at all.

Restrictive covenants in the Senior Secured Term Loan or any future agreements governing our indebtedness could limit our growth and our ability to finance our operations, fund our capital needs, respond to changing conditions and engage in other business activities that may be in our best interests.

Restrictive covenants in the Senior Secured Term Loan impose significant operating and financial restrictions on us and our subsidiaries and we may be prevented from taking advantage of business opportunities that arise because of the limitations imposed on us by the Senior Secured Term Loan unless we gain EM’s consent. These restrictions limit our ability to, among other things:

- engage in mergers, consolidations, liquidations, or dissolutions;
- create or incur debt or liens;

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- make certain debt prepayments;
- pay dividends, distributions, management fees or certain other restricted payments;
- make investments, acquisitions, loans, or purchase oil and gas properties;
- sell, assign, farm-out or dispose of any property;
- enter into transactions with affiliates;
- enter into, subject to certain exceptions, any agreement that prohibits or restricts liens securing the Senior Secured Term Loan, payments of dividends to us, or payment of debt owed to us and our subsidiaries; and
- change the nature of our business.

The Senior Secured Term Loan also contains representations and warranties, affirmative covenants, additional negative covenants and events of default (including a change of control). The Second Debt Amendment will also include additional reporting covenants and a financial liquidity covenant that will require the Company to have not less than \$25 million in unrestricted cash, measured at the end of each month. In addition, during the pendency of the Senior Secured Term Loan and in case of an event of default thereunder, EM may exercise all remedies at law or equity, and may foreclose upon substantially all of our assets and the assets of our subsidiaries, including, in the event of a deficiency, cash and any other assets not acquired from EM in the Business Combination to the extent constituting collateral under the applicable financing documents.

There is no guarantee that we will have sufficient cash to recommence oil sales.

Until we recommence oil sales, either via the Pipeline System or an OS&T offtake strategy, we will not generate any revenue or cash flows from operations and will rely on cash on hand to fund the operations necessary to recommence oil sales. If we do not have sufficient cash on hand to recommence oil sales, we may need to raise additional capital to continue our operations, and this capital may not be available on acceptable terms or at all. If we do not have sufficient cash on hand or are unable to obtain additional funding on a timely basis, we may be unable to recommence oil sale, which could materially affect our business, financial condition and results of operations.

Our assumptions and estimates regarding the total costs associated with recommending oil sales may be inaccurate.

We currently estimate no remaining start-up expenses to recommence oil sales via the Las Flores Pipeline System, other than those required to obtain necessary regulatory approvals. If we instead pursue the OS&T Strategy, we currently estimate remaining start-up expenses of approximately \$450.0 million to recommence offshore oil sales. The expenditures will primarily be directed towards preparing for the implementation of the OS&T Strategy, including the procurement of a suitable vessel and necessary upgrade and installation costs with respect to such vessel and our platforms, obtaining necessary regulatory approvals and recommending oil sales in the fourth quarter of 2026. This estimate of costs to recommence oil sales considers currently available facts and presently enacted laws and regulations, but it is subject to uncertainties associated with the assumptions that we have made. For example, because the markets for OS&T vessels and vessel refurbishment and upgrading are competitive, and our estimates for the cost of procurement and planned upgrades are based on our understanding of the relevant markets and current supply of suitable vessels and contracts, the actual cost of such a vessel and the related upgrades may exceed our expectations. In addition, the costs of equipment, repairs and maintenance, the costs of operating personnel, the costs to obtain governmental approvals, and legal, consulting and other professional expenses could turn out to be higher than we have estimated. In addition, commencement of sales pursuant to the OS&T Strategy may be delayed if additional financing is not procured in a timely fashion and therefore our capital expenditure plan is delayed. We may experience increases in costs and delays.

We are currently evaluating and pursuing the OS&T Strategy and have curtailed substantially all capital expenditures relating to the Onshore Pipeline and onshore processing facility. If in the future we are permitted to conduct commercial sales using such assets, we intend to do so and would incur such curtailed onshore costs, in addition to the costs related to the pursuit of the OS&T Strategy. Accordingly, our assumptions and estimates may change in future periods based on future events and total costs may materially increase. Therefore, we can provide no assurance that we will not have to incur additional costs in future periods that are significantly higher than our estimated costs to recommence oil sales.

We are subject to complex federal, state, local and other laws, regulations and permits that could adversely affect the cost, manner, ability or feasibility of conducting our operations.

Our oil and natural gas development and production operations are subject to complex and stringent laws and regulations administered by governmental authorities vested with broad authority relating to the exploration for and the development, production and transportation of oil, natural gas, and NGLs. To conduct our operations in compliance with these laws and regulations, we must obtain and maintain numerous permits, approvals and certificates from various federal, state and local governmental authorities. In order to commence operations pursuant to the OS&T offtake strategy, we will require regulatory authorizations, including clearance from BOEM. We may incur substantial costs in order to maintain compliance with these existing laws and regulations, and we may experience delays in procuring required approvals, which may increase our costs or delay our ability to produce revenue. Failure to comply with laws and regulations applicable to our operations, including any evolving interpretation and enforcement by governmental authorities, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our oil, natural gas, and NGLs development and production operations are also subject to stringent and complex federal, state and local laws and regulations governing the release or discharge of materials into or through the environment, worker health and safety aspects of our operations, or otherwise relating to environmental protection, resource protection, and damage to natural resources. These laws and regulations may impose numerous obligations applicable to our operations, including regulated drilling activities; installation and use of an OS&T; the restriction of types, quantities and concentrations of materials that can be released or discharged into or through the environment; the limitation or prohibition of drilling, production and transportation activities on certain lands lying within wilderness, wetlands, seismically active areas and other protected or preserved areas; the application of specific health and safety criteria addressing worker protection; and the imposition of substantial liabilities for pollution and natural resources damages potentially resulting from our operations. The Environmental Protection Agency, BOEM, BSEE, PHMSA, OSFM, CalGEM, Coastal Commission, CDFW, Water Board, SLC and numerous other governmental authorities have the authority to enforce compliance with these laws and regulations and the permits issued by them, often requiring difficult and costly compliance measures or corrective actions. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, the imposition of investigatory or remedial obligations, injunctive and mitigation relief, the suspension or revocation of necessary permits, licenses and authorizations, the requirement that additional pollution controls be installed and, in some instances, the issuance of orders limiting or prohibiting some or all of our operations. We may also experience delays in obtaining or be unable to obtain required permits, including authorizations necessary to recommence oil sales, which may delay or interrupt our operations and limit our growth and revenue, or may impact our ability to repay or refinance the Senior Secured Term Loan, which, once the Second Amendment is effective, will mature on the earlier of (i) March 31, 2027 or (ii) the date falling 90 days after first sales of Hydrocarbons (as defined in the Senior Secured Term Loan).

Under certain environmental laws that impose strict as well as joint and several liability, we may be required to remediate or conduct other response actions at or in relation to contaminated properties currently owned or operated by us or facilities of third parties that received waste generated by our operations regardless of whether such contamination resulted from the conduct of others or from the consequences of our own actions that were in compliance with all applicable laws at the time those actions were taken. In addition, claims for damages to persons or property, including natural resources, may result from the environmental, health and safety impacts of our operations. Moreover, public interest in the protection of the environment has increased in recent years. New laws and regulations continue to be enacted, particularly at the state level, and environmental legislation and regulations applied to the crude oil and natural gas industry could continue, resulting in increased costs of doing business and consequently affecting profitability. Additionally, any changes in environmental regulations related to biodiversity protection could impose further operational constraints and costs. To the extent laws are enacted, or other governmental action is taken that restricts drilling, production and transportation activities, or imposes more stringent and costly operating, waste handling, disposal and cleanup requirements, our business, prospects, financial condition or results of operations could be materially adversely affected.

Attempts by the California state government to restrict the production of oil and gas could negatively impact our operations and result in decreased demand for fossil fuels in California.

California, where our offshore pipelines in state waters and our onshore operations and assets are located, is heavily regulated with respect to oil and gas operations. Federal, state and local laws and regulations govern most aspects of exploration, production, processing and transportation of hydrocarbons in California. The regulatory burden on the industry increases our costs and consequently may have an adverse effect upon capital expenditures, earnings or competitive position. Violations and liabilities with respect to these laws and regulations could result in significant administrative, civil, or criminal penalties, remedial clean-ups, natural resource damages, permit modifications or revocations, operational

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interruptions or shutdowns and other liabilities. The costs of remedying such conditions may be significant, and remediation obligations could adversely affect our financial condition, results of operations and prospects.

Additionally, the California state government recently has taken several actions that could adversely impact future oil and gas production and other activities in the state. For example:

- In September 2020, the California Governor issued an executive order that seeks to reduce both the supply of and demand for fossil fuels in the state. The executive order established several goals and directed several state agencies to take certain actions with respect to reducing emissions of greenhouse gases, including, but not limited to: (1) phasing out the sale of emissions-producing vehicles; (2) developing strategies for the closure and repurposing of oil and gas facilities in California; and (3) calling on the California State Legislature to enact new laws prohibiting hydraulic fracturing in the state by 2024. The executive order also directed CalGEM to finish its review of public health and safety concerns from the impacts of oil extraction activities and propose significantly strengthened regulations.
- In October 2020, the California Governor issued an executive order that established a state goal to conserve at least 30% of California’s land and coastal waters by 2030 and directed state agencies to implement other measures to mitigate climate change and strengthen biodiversity.
- On July 1, 2025, amendments to the Low Carbon Fuel Standard (“LCFS”) Regulation took effect. The LCFS Program is a market-based compliance measure that is designed to create economic value from low-carbon and renewable fuel technologies, with a stated goal of reducing greenhouse gas emissions in California. The recent amendments increase both the pre- and post-2030 stringency of carbon intensity benchmarks. Specifically, they increase the carbon intensity reduction targets from 20% to 30% by 2030, and aim for a 90% reduction by 2045, based on a 2010 baseline.
- On September 19, 2025, California Governor Gavin Newsom signed Assembly Bill 1207 and Senate Bill 840 into law. Together, the new laws reauthorize and extend California’s cap-and-trade program – now renamed the “cap-and-invest” program – through December 31, 2045. This program sets a price on greenhouse emissions that over time may reduce demand for oil and gas.

At this time, we cannot predict the potential future actions that may result from these orders or how such actions might potentially impact our operations.

On February 21, 2025, California State Assembly Member Hart introduced AB 1448 to the California State Legislature. Among other changes, AB 1448 would amend certain provisions of California’s Public Resources Code to add additional procedural requirements for oil- and gas-related leases in state waters and would require that the repair, reactivation, and maintenance of an oil and gas facility that has been idled, inactive, or out of service for three years or more obtain a new coastal development permit. On September 10, 2025, a separate bill—SB 237—was amended to include certain provisions originally proposed in AB 1448. In particular, SB 237 added requirements to the California Government Code that provide that an existing oil pipeline that has been idle, inactive, or out of service for five years or more, cannot be restarted without passing a spike hydrostatic testing program. SB 237 also amended the California Coastal Act to provide that the repair, reactivation, or maintenance of an oil pipeline that has been idled, inactive or out of service for five years or more must obtain a new coastal development permit. On September 12, 2025, AB 1448 was moved to the inactive file, and on September 13, 2025, the California State Legislature passed SB 237. On September 19, 2025, Governor Gavin Newsom signed SB 237 into law, which will go into effect January 1, 2026. On September 29, 2025, Sable filed a Complaint for Declaratory Relief against the State of California in Kern County Superior Court seeking a declaratory judgment that the Onshore Pipeline is not subject to SB 237 because the Onshore Pipeline is not “idle, inactive, or out of service,” and because the Legislature did not give SB 237 retroactive effect. Sable intends to vigorously prosecute the action.

On June 3, 2022, the U.S. Court of Appeals for the Ninth Circuit prohibited the federal government from issuing new permits or plans for the use of well stimulation treatments, including hydraulic fracturing and acidizing of wells, in federal waters on the Pacific Outer Continental Shelf until a full environmental review is completed by federal agencies, including an environmental impact statement. The injunction was the result of lawsuits filed by the State of California, the California Coastal Commission and environmental groups alleging that federal agencies violated environmental laws when they authorized unconventional drilling methods from offshore California platforms. The court further found that the agencies violated the Endangered Species Act and Coastal Zone Management Act by not undertaking the appropriate consultations pursuant to those statutes.

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While currently none of our Pacific Outer Continental Shelf operations rely on hydraulic fracturing stimulation or acidizing of wells as discussed in the Ninth Circuit decision, any future attempts to place restrictions on other well stimulation treatments may adversely impact our operations, including causing operational delays, increased costs, and reduced production, which could adversely affect our revenues, results of operations and net cash provided by operating activities.

In December 2023, the State Lands Commission granted authority to the Executive Officer to solicit and execute agreements for consultant services to prepare an “Analysis of Public Trust Resources and Values” (“APTR”), which will assess the risks and impacts to Public Trust resources of all 12 leases for offshore oil and gas pipelines under the Commission's jurisdiction including two leases related to Sable’s and its subsidiary’s assets in state waters. The APTR will include technical evaluations, environmental assessments, climate change considerations, public needs analysis, and alternatives to pipelines. The Commission expects to finalize the APTR by December 31, 2026. The Commission has also authorized a temporary moratorium on new lease applications and issuances for offshore oil and gas pipelines until the APTR is completed and its findings are reviewed. The outcome of the APTR could adversely affect our ability to renew or extend our State Lands Commission leases beyond the current expirations in 2028 and 2029.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

(a)

Subscription Agreements

On November 10, 2025, the Company entered into subscription agreements (the “Subscription Agreements”) with certain investors (the “Third PIPE Investors”), pursuant to which, among other things, the Third PIPE Investors agreed to subscribe for and purchase from Sable, and Sable agreed to issue and sell to the Third PIPE Investors, an aggregate of 45,454,546 newly issued shares of Sable’s Common Stock, for an aggregate purchase price of approximately \$250 million, on the terms and subject to the conditions set forth therein. The issuance and sale of the Common Stock contemplated by the Subscription Agreements was completed on November 12, 2025.

The foregoing description of the Subscription Agreements does not purport to be complete and is qualified in its entirety by reference to the copy of the form of Subscription Agreement filed as Exhibit 10.1 to this Quarterly Report on Form 10-Q and incorporated herein by reference.

The Common Stock to be issued and sold to the Third PIPE Investors pursuant to the Subscription Agreements will not be registered under the Securities Act, and will be issued in reliance on the exemption from registration requirements thereof provided by Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering.

(b) N/A.

(c) During the three months ended September 30, 2025 (Successor), no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

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Item 6. Exhibits.

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

No.	Description of Exhibit	Incorporate by Reference		
		Form	Exhibit	Filing Date
3.1	Second Amended and Restated Certificate of Incorporation of Sable Offshore Corp.	8-K	3.1	2/14/24
3.2	Amended and Restated Bylaws of Sable Offshore Corp.	8-K	3.2	2/14/24
10.1*	Form of Subscription Agreement.	—	—	—
31.1*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—
31.2*	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	—	—	—
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	—	—	—
101.INS*	XBRL Instance Document—the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document			
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document			
101.SCH*	Inline XBRL Taxonomy Extension Schema Document			
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document			
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document			
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document			
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)			

* Filed herewith

** Furnished

SIGNATURES

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 thereunto duly authorized.

SABLE OFFSHORE CORP.

Date: November 13, 2025

By: /s/ James C. Flores

Name: James C. Flores

Title: Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: November 13, 2025

By: /s/ Gregory D. Patrinely

Name: Gregory D. Patrinely

Title: Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

SUBSCRIPTION AGREEMENT

This SUBSCRIPTION AGREEMENT (this “Subscription Agreement”) is entered into this 10th day of November, 2025, by and between Sable Offshore Corp., a Delaware corporation (“Sable”), and the subscriber party set forth on the signature page hereto (“Subscriber”).

WHEREAS, Subscriber desires to subscribe for and to purchase from Sable that number of shares of common stock, par value \$0.0001 per share, of Sable (the “Sable Common Stock”) set forth on the signature page hereto (the “Acquired Shares”) for a purchase price of \$5.50 per share and an aggregate purchase price set forth on the signature page hereto (the “Purchase Price”), and Sable desires to issue and sell to Subscriber the Acquired Shares in consideration of the payment of the Purchase Price by or on behalf of Subscriber to Sable;

WHEREAS, Sable may enter into separate subscription agreements (the “Other Subscription Agreements”) with certain other “qualified institutional buyers” (as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”)) and/or “accredited investors” (as such term is defined in Rule 501 under the Securities Act) (such persons, collectively, the “Other PIPE Investors”) on substantially the same terms as those set forth in this Subscription Agreement, pursuant to which such Other PIPE Investors will subscribe for and agree to purchase shares of Sable Common Stock at the same price per share; and

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties and covenants, and subject to the conditions, herein contained, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Subscription. Subject to the terms and conditions hereof, Subscriber hereby agrees to subscribe for and purchase, and Sable hereby agrees to issue and sell to Subscriber, the Acquired Shares at the Closing Date (as defined below) in consideration for the payment of the Purchase Price to Sable (such subscription and issuance, the “Subscription”).

2. Closing.

(a) The closing of the Subscription contemplated hereby (the “Closing”) shall take place on November 12, 2025 (the “Closing Date”). Not less than three (3) business days prior to the scheduled Closing Date, Sable shall provide written notice to Subscriber (the “Closing Notice”) of (i) such Closing Date and (ii) the wire instructions for delivery of the Purchase Price. On the Closing Date, Sable shall deliver, or cause to be delivered, to Subscriber (A) the Acquired Shares in book entry form, free and clear of any liens or other restrictions whatsoever (other than those arising under state or federal securities laws), in the name of Subscriber (or its nominee in accordance with its delivery instructions) or to a custodian designated by Subscriber, as applicable, and (B) a copy of the records of Sable showing Subscriber as the owner of the Acquired Shares on and as of the Closing Date. On the Closing Date, Subscriber shall deliver to Sable the Purchase Price for the Acquired Shares by wire transfer of U.S. dollars in immediately available funds to the account specified by Sable in the Closing Notice, such funds to be held in escrow until the Closing Date. Prior to the Closing Date, Subscriber shall deliver to Sable (1) such information as is reasonably requested in the Closing Notice in order for Sable to cause the Acquired Shares to be issued and delivered to Subscriber and (2) a duly completed and executed Internal Revenue Service Form W-9 or appropriate

Internal Revenue Service Form W-8. In the event the Closing does not occur within three (3) business days after the Closing Date and Subscriber has paid the Purchase Price for the Acquired Shares prior to the Closing Date, then Sable shall promptly (but not later than one (1) business day thereafter) return to Subscriber the Purchase Price by wire transfer of U.S. dollars in immediately available funds to the account specified by Subscriber, and any book-entries for the Acquired Shares shall be deemed repurchased and cancelled; provided that, upon such return of the Purchase Price, this Subscription Agreement shall automatically terminate and be of no further force or effect (other than liability for any willful breach prior to such termination). Together with such return of the Purchase Price, Sable shall deliver to Subscriber a certificate executed by its Chief Executive Officer or Chief Financial Officer certifying that the condition set forth in Section 2(b)(xii) was not satisfied and that the Closing did not occur.

(b) In addition to the conditions set forth in Section 2(a), the Closing Date shall be subject to the satisfaction (or waiver (to the extent legally permissible) in writing by the party having the benefit of the applicable condition) of the conditions that, on the Closing Date:

(i) solely with respect to Sable, the representations and warranties made by Subscriber in this Subscription Agreement shall be true and correct in all material respects as of the Closing Date (other than those representations and warranties expressly made as of an earlier date, which shall be true and correct in all material respects as of such date) (other than representations and warranties that are qualified as to materiality, which representations and warranties shall be true in all respects);

(ii) solely with respect to Subscriber, the representations and warranties made by Sable in this Subscription Agreement (other than the representations and warranties set forth in Section 3(b), Section 3(d) and Section 3(h)) shall be true and correct in all material respects as of the Closing Date (other than those representations and warranties expressly made as of an earlier date, which shall be true and correct in all material respects as of such date) (other than representations and warranties that are qualified as to materiality, which representations and warranties shall be true in all respects), and (i) the representations and warranties made by Sable set forth in Section 3(b) and Section 3(d) shall be true and correct in all respects and (ii) other than de minimis changes with respect to shares of Sable Common Stock subject to issuance upon exercise of outstanding warrants and/or underlying equity incentive awards and the vesting of such awards, the representations and warranties made by Sable set forth in Section 3(h) shall be true and correct in all respects, each as of the Closing Date;

(iii) solely with respect to Subscriber, Sable shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Subscription Agreement to be performed, satisfied or complied with by it at or prior to the Closing Date;

(iv) solely with respect to Sable, Subscriber shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Subscription Agreement to be performed, satisfied or complied with by it at or prior to the Closing Date;

(v) there shall not be any law or order of any governmental authority having jurisdiction restraining, enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by this Subscription Agreement;

(vi) no suspension of the qualification of the shares of Sable Common Stock listed on the New York Stock Exchange (the “NYSE”) for any offering or sale or trading

in any jurisdiction, or initiation or threatening of any proceedings for any such purposes, shall have occurred;

(vii) there shall have been no Sable Material Adverse Effect with respect to Sable since the date hereof;

(viii) Sable shall have delivered to Subscriber a duly executed and delivered certificate of Sable's chief executive officer or chief financial officer, dated as of the Closing Date, certifying as to the fulfillment of the conditions specified in Sections 2(b)(ii), (iii), (vi), (vii) and (x);

(ix) Sable's secretary shall have delivered to Subscriber at the Closing Date a certificate certifying (i) Sable's certificate of incorporation, (ii) Sable's bylaws and (iii) resolutions of Sable's Board of Directors (or an authorized committee thereof) approving this Subscription Agreement, the transactions contemplated by this Subscription Agreement and the issuance of the Acquired Shares;

(x) Sable shall have filed with the NYSE a supplemental listing application covering the Acquired Shares (the "SLAP") and no objection shall have been raised by the NYSE with respect to the SLAP or the issuance of the Acquired Shares;

(xi) Sable shall have delivered a certificate of the Secretary of State of the State of Delaware, dated of the Closing Date, to the effect that Sable is in good standing; and

(xii) Sable shall have received cash proceeds pursuant to this Subscription Agreement, any Other Subscription Agreement entered into with any Other PIPE Investor, and any concurrent equity financings, in an amount of no less than \$225,000,000, net of Placement Agent fees and other transaction costs and expenses.

(c) At the Closing, the parties hereto shall execute and deliver such additional documents and take such additional actions as the parties reasonably may deem to be practical and necessary in order to consummate the transactions contemplated by this Subscription Agreement.

3. Representations and Warranties of Sable. Sable represents and warrants to Subscriber that:

(a) Sable and each of its subsidiaries is duly organized and is validly existing and in good standing under the laws of its jurisdiction of organization. Sable has the entity power and authority to own, lease and operate its properties and conduct its business as presently conducted and as presently proposed to be conducted as described in the SEC Reports and to enter into, deliver and perform its obligations under this Subscription Agreement. Sable is classified as a Subchapter C corporation for U.S. federal tax purposes.

(b) The Acquired Shares are authorized and, when issued and delivered to Subscriber against full payment for the Acquired Shares in accordance with the terms of this Subscription Agreement, the Acquired Shares will be validly issued, fully paid and non-assessable, free and clear of any liens or other restrictions whatsoever (other than those arising under state or federal securities laws) and will not have been issued in violation of or subject to any preemptive or similar rights created under Sable's certificate of incorporation and bylaws or under the laws of the State of Delaware.

(c) There are no securities or instruments issued by or to which Sable is a party containing anti-dilution or similar provisions that will be triggered by the issuance of (i) the

Acquired Shares or (ii) the Sable Common Stock issued or to be issued pursuant to the Other Subscription Agreements, as applicable.

(d) This Subscription Agreement has been duly authorized, executed and delivered by Sable and is enforceable against it in accordance with its terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity.

(e) The execution, delivery and performance of this Subscription Agreement and the consummation of the transactions contemplated hereby, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the properties or assets of Sable pursuant to the terms of (i) any indenture, mortgage, deed of trust, loan agreement, lease, license or other agreement or instrument to which Sable is a party or by which Sable is bound or to which any of the property or assets of Sable is subject; (ii) the organizational documents of Sable; or (iii) any statute or any judgment, order, rule or regulation of any court or governmental agency or body, domestic or foreign, having jurisdiction over Sable or any of its properties that, in the case of clauses (i) and (iii), would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, properties, assets, liabilities, operations, condition (including financial condition) or results of operations of Sable or materially and adversely affect the validity of the Acquired Shares or the legal authority or ability of Sable to perform in any material respects its obligations hereunder (a "Sable Material Adverse Effect").

(f) Sable is not in default or violation (and no event has occurred which, with notice or the lapse of time or both, would constitute a default or violation) of any term, condition or provision of (i) the organizational documents of Sable, (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, permit, franchise or license to which, as of the date of this Subscription Agreement, Sable is a party or by which Sable's properties or assets are bound or (iii) any law, statute or any judgment, order, rule or regulation of any court or governmental agency or body, domestic or foreign, having jurisdiction over Sable or any of its properties, except, in the case of clauses (ii) and (iii), for defaults or violations that have not had and would not be reasonably likely to have, individually or in the aggregate, a Sable Material Adverse Effect.

(g) Assuming the accuracy of Subscriber's representations and warranties set forth in Section 4, Sable is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority, self-regulatory organization or other person in connection with the execution, delivery and performance by Sable of this Subscription Agreement (including, without limitation, the issuance of the Acquired Shares), other than (i) filings with the U.S. Securities and Exchange Commission (the "SEC"), (ii) filings required by applicable state securities laws, and (iii) those required by the NYSE.

(h) Sable is authorized to issue two classes of stock: Sable Common Stock and preferred stock having a par value of \$0.0001 per share ("Sable Preferred Stock"). The total number of shares of capital stock that Sable has authority to issue is 501,000,000 shares, of which the total number of shares of Sable Common Stock that Sable is authorized to issue is 500,000,000 shares and the total number of shares of Sable Preferred Stock that Sable is authorized to issue is 1,000,000. As of the date hereof, (i) 99,507,250 shares of Sable Common Stock are issued and outstanding, all of which are validly issued, fully paid and non-assessable and not subject to any preemptive rights, (ii) up to shares 8,987,062 of Sable Common Stock are subject to issuance upon exercise of outstanding warrants, (iii) up to 10,084,265 shares of Sable

Common Stock are subject to issuance subject to the vesting conditions of equity incentive awards and (iv) no shares of Sable Preferred Stock are issued and outstanding.

(i) Sable has filed or furnished, as applicable, in a timely manner all required registration statements, reports, schedules, forms, statements and other documents required to be filed by Sable with the SEC since February 14, 2024 (the “SEC Reports”). As of their respective filing dates, the SEC Reports complied in all material respects with the applicable requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the Securities Act, and the rules and regulations of the SEC promulgated thereunder. None of the SEC Reports, when filed or, if amended, as of the date of such amendment with respect to those disclosures that are amended, contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The financial statements of Sable included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing and fairly present in all material respects the financial position of Sable as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited financial statements, to normal, year-end audit adjustments. A copy of each SEC Report is available to Subscriber via the SEC’s EDGAR system. There are no outstanding or unresolved comments in comment letters received by Sable (or any affiliate or subsidiary thereof) from the staff of the Division of Corporation Finance of the SEC with respect to any of the SEC Reports.

(j) Sable has established and maintains systems of internal accounting controls that are designed to provide, in all material respects, reasonable assurance that (i) all transactions are executed in accordance with management’s authorization and (ii) all transactions are recorded as necessary to permit preparation of proper and accurate financial statements in accordance with GAAP and to maintain accountability for Sable’s assets. Sable maintains, and has maintained, books and records of Sable in the ordinary course of business that are accurate and complete and properly reflect the revenues, expenses, assets and liabilities of Sable in all material respects. Sable maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) that complies with the requirements of the Exchange Act applicable to Sable and is effective, and Sable is not aware of any material weaknesses in its internal control over financial reporting. Sable maintains an effective system of “disclosure controls and procedures” (as defined in Rule 13a-15(e) under the Exchange Act) that is designed to ensure that information required to be disclosed by Sable in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to Sable’s management as appropriate to allow timely decisions regarding required disclosure. Sable has carried out evaluations of the effectiveness of its disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act.

(k) Since the date of the balance sheet included in Sable’s Form 10-K for the year ended 2024, there has been (i) no Sable Material Adverse Effect, (ii) no transaction which is material to Sable and its subsidiaries taken as a whole, (iii) no obligation or liability, direct or contingent (including any off-balance sheet obligations), incurred by Sable or its subsidiaries, which is material to Sable and its subsidiaries taken as a whole, (iv) no change in the capital stock or outstanding indebtedness of Sable and its subsidiaries, other than as described in the SEC Reports and Section 3(h) of this Subscription Agreement and (v) no dividend or distribution of any kind declared, paid or made on the capital stock of Sable or any of its subsidiaries.

(l) Sable and each of its subsidiaries maintain insurance covering their respective properties, operations, personnel and businesses as Sable reasonably deems adequate; such insurance insures against such losses and risks in accordance with customary industry

practice to protect Sable and its subsidiaries and their respective businesses and which is commercially reasonable for the current conduct of their respective businesses; to Sable's Knowledge, all such insurance is fully in force on the date hereof and is expected to be fully in force at each time of purchase, if any; neither Sable nor any subsidiary has reason to believe that it will not be able to (i) renew any such insurance as and when such insurance expires or (ii) obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted at a cost that would not, individually or in the aggregate, reasonably be expected to result in any Sable Material Adverse Effect. "Sable's Knowledge" with respect to any statement means the actual knowledge, or knowledge that would have been acquired after reasonable inquiry, of the executive officers or directors of Sable.

(m) Assuming the accuracy of Subscriber's representations and warranties set forth in Section 4, no registration under the Securities Act is required for the offer and sale of the Acquired Shares by Sable to Subscriber.

(n) Neither Sable nor any person acting on its behalf has engaged or will engage in any form of general solicitation or general advertising within the meaning of applicable securities laws in connection with any offer or sale of the Acquired Shares.

(o) None of Sable, any of its subsidiaries nor any person acting on their behalf has taken or will take, directly or indirectly, any action designed to or that is likely to cause or result in stabilization or manipulation of the price of any security of Sable to facilitate the sale or resale of the Acquired Shares or otherwise, and has taken no action which could reasonably be expected to directly or indirectly violate Regulation M under the Exchange Act.

(p) Other than as disclosed in the SEC Reports, except for such matters as have not had and would not be reasonably likely to have, individually or in the aggregate, a Sable Material Adverse Effect, there is no proceeding pending, or, to Sable's Knowledge, threatened against Sable or any judgment, decree, injunction, ruling or order of any governmental entity or arbitrator outstanding against Sable.

(q) Except for placement fees payable to each Placement Agent (as defined within), Sable has not paid, and is not obligated to pay, any brokerage, finder's or other fee or commission in connection with its issuance and sale of the Acquired Shares, including, for the avoidance of doubt, any fee or commission payable to any equityholder or affiliate of Sable.

(r) None of Sable, its subsidiaries, any person acting on its behalf nor, to Sable's Knowledge, any of its affiliates has, directly or indirectly, at any time within the applicable period set forth in Rule 152 promulgated under the Securities Act, made any offers or sales of any security or solicited any offers to buy any security under circumstances that would (i) eliminate the availability of the exemption from registration under the Securities Act in connection with the sale by Sable of the Acquired Shares as contemplated hereby or (ii) cause the sale of the Acquired Shares pursuant to this Subscription Agreement to be integrated with prior offerings by Sable for purposes of any applicable law, regulation or stockholder approval provisions, including, without limitation, under the rules and regulations of any exchange on which any of the securities of Sable are listed or designated.

(s) Other than Subscriber and the Other PIPE Investors, no person has any right to cause Sable to effect the registration under the Securities Act of the offer and sale of any securities of Sable other than (i) those offers and sales which are currently registered on an effective registration statement on file with the SEC and (ii) such rights as have been temporarily waived.

(t) The Sable Common Stock is registered pursuant to Section 12(b) or Section 12(g) of the Exchange Act, and Sable has taken no action designed to terminate the registration of the Sable Common Stock under the Exchange Act, nor has Sable received any notification that the SEC or the NYSE is contemplating terminating such registration or listing. Sable is, and immediately following the Closing will be, in compliance with all applicable listing requirements of the NYSE.

(u) Neither Sable nor any of its subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up, nor does Sable or any subsidiary have any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so. Sable and its subsidiaries, individually and on a consolidated basis, are not as of the date hereof, and after giving effect to the transactions contemplated hereby to occur at the Closing, will not be Insolvent (as defined below). For purposes hereof, “Insolvent” means, with respect to any person, (i) the present fair saleable value of such person’s assets is less than the amount required to pay such person’s total indebtedness, (ii) such person is unable to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured, (iii) such person intends to incur or believes that it will incur debts that would be beyond its ability to pay as such debts mature or (iv) such person has unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted.

(v) Neither Sable nor any subsidiary nor, to Sable’s Knowledge, any director, officer, agent, employee or affiliate of Sable or any subsidiary is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department, or is currently subject to any investigation, inquiry, or enforcement action by the U.S. Department of the Treasury’s Office of Investment Services and Programs. Sable is either (i) not a “person of a country of concern” or (ii) not engaged in any “covered activity,” as these terms are defined in 31 C.F.R. Part 850, as implemented or revised from time to time (the “Outbound Investment Rules”). Sable has no intention of becoming a “person of a country of concern” that engages in any “covered activity” within the meaning of the Outbound Investment Rules.

(w) The operations of Sable and its subsidiaries are in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the “Money Laundering Laws”), and no action or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Sable or any subsidiary with respect to the Money Laundering Laws is pending or, to Sable’s Knowledge or the knowledge of any subsidiary, threatened.

(x) Sable is not, and, after giving effect to the offering and sale of Sable Common Stock pursuant to this Subscription Agreement and the Other Subscription Agreements, will not be, required to register as an “investment company” or an entity “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended (the “Investment Company Act”), and the rules and regulations of the SEC thereunder, and shall not rely on Sections 3(c)(1) or 3(c)(7) of the Investment Company Act as a basis for being exempt from such registration.

4. Subscriber Representations and Warranties. Subscriber represents and warrants that:

(a) Subscriber has been duly formed or incorporated in the United States (or in the case of an individual, is a United States citizen) and is validly existing and in good

standing under the laws of its jurisdiction of incorporation or formation, with power and authority (or in the case of an individual, the legal capacity) to enter into, deliver and perform its obligations under this Subscription Agreement.

(b) This Subscription Agreement has been duly authorized, executed and delivered by Subscriber and, assuming the due authorization, execution and delivery of the same by Sable, is enforceable against it in accordance with its terms, except as may be limited or otherwise affected by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws relating to or affecting the rights of creditors generally, and (ii) principles of equity, whether considered at law or equity.

(c) The execution, delivery and performance by Subscriber of this Subscription Agreement, including the consummation of the transactions contemplated hereby, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance upon any of the property or assets of Subscriber pursuant to the terms of (i) any indenture, mortgage, deed of trust, loan agreement, lease, license or other agreement or instrument to which Subscriber is a party or by which Subscriber is bound or to which any of the property or assets of Subscriber is subject; (ii) the organizational documents of Subscriber; or (iii) any statute or any judgment, order, rule or regulation of any court or governmental agency or body, domestic or foreign, having jurisdiction over Subscriber or any of its properties that, in the case of clauses (i) and (iii), would reasonably be expected to have a material adverse effect on the legal authority or ability of Subscriber to perform in any material respects its obligations hereunder.

(d) Subscriber (i) is a “qualified institutional buyer” (as defined in Rule 144A under the Securities Act) or an “accredited investor” (within the meaning of Rule 501(a) under the Securities Act) satisfying the applicable requirements set forth on Schedule A, (ii) is acquiring the Acquired Shares only for its own account and not for the account of others, or if Subscriber is subscribing for the Acquired Shares as a fiduciary or agent for one or more investor accounts, each owner of such account is a “qualified institutional buyer” (as defined in Rule 144A under the Securities Act) or an “accredited investor” (within the meaning of Rule 501(a) under the Securities Act) and Subscriber has full investment discretion with respect to each such account, and the full power and authority to make the acknowledgements, representations and agreements herein on behalf of each owner of each such account, and (iii) is not acquiring the Acquired Shares with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act (and shall provide the requested information on either (a) Schedule A following the signature page hereto or (b) on such other form agreed among Subscriber and Sable). Subscriber is not an entity formed for the specific purpose of acquiring the Acquired Shares, unless such newly formed entity is an entity in which all of the equity owners are “accredited investors” (within the meaning of Rule 501(a) under the Securities Act).

(e) Subscriber understands that the Acquired Shares are being offered and sold pursuant to an exemption from the registration requirements of the Securities Act under Section 4(a)(2) thereof in a transaction not involving any public offering within the meaning of the Securities Act and that the Acquired Shares have not been registered under the Securities Act. Subscriber understands that the Acquired Shares may not be resold, transferred, pledged or otherwise disposed of by Subscriber absent an effective registration statement under the Securities Act, except (i) to Sable or a subsidiary thereof, (ii) to non-U.S. persons pursuant to offers and sales that occur outside the United States within the meaning of Regulation S under the Securities Act, (iii) pursuant to Rule 144 promulgated under the Securities Act provided that all of the applicable conditions thereof have been met or (iv) pursuant to another applicable exemption from the registration requirements of the Securities Act, and, in each of cases (i), (iii) and (iv), in accordance with any applicable securities laws of the states and other jurisdictions of

the United States, and that any certificates or book entries representing the Acquired Shares shall contain a legend to such effect. Subscriber acknowledges that the Acquired Shares will not be eligible for resale pursuant to Rule 144A promulgated under the Securities Act. Subscriber understands that it has been advised to consult legal counsel prior to making any offer, resale, pledge or transfer of any of the Acquired Shares.

(f) Subscriber understands and agrees that Subscriber is purchasing the Acquired Shares directly from Sable. Subscriber further acknowledges that there have been no representations, warranties, covenants and agreements made to Subscriber by Sable or any of its officers, managers or representatives, expressly or by implication, other than those representations, warranties, covenants and agreements included in this Subscription Agreement.

(g) Subscriber represents and warrants that its acquisition and holding of the Acquired Shares will not constitute or result in a non-exempt prohibited transaction under Section 406 of the Employee Retirement Income Security Act of 1974, as amended, Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), or any applicable similar law.

(h) In making its decision to purchase the Acquired Shares, Subscriber represents that it has relied solely upon independent investigation made by Subscriber and the representations and warranties of Sable included in this Subscription Agreement. Subscriber acknowledges and agrees that Subscriber has received such information as Subscriber deems necessary in order to make an investment decision with respect to the Acquired Shares. Without limiting the generality of the foregoing, Subscriber acknowledges that it has access to the SEC Reports. Subscriber represents and agrees that Subscriber and Subscriber’s professional advisor(s), if any, have had the full opportunity to ask such questions, receive such answers and obtain such information as Subscriber and such Subscriber’s professional advisor(s), if any, have deemed necessary to make an investment decision with respect to the Acquired Shares. Subscriber acknowledges and agrees that it has not relied on any Placement Agent or any affiliate of a Placement Agent with respect to its decision to purchase the Acquired Shares. Subscriber further acknowledges that there have been no, and in purchasing the Acquired Shares, Subscriber is not relying on any, representations, warranties, covenants or agreements made to Subscriber by the Placement Agents or any of their respective affiliates or any control persons, officers, directors, partners, agents or representatives of any of the foregoing, expressly or by implication. Subscriber also understands and acknowledges that TD Securities (USA) LLC and/or its affiliates, certain of its senior executives and members of its deal team have an equity ownership interest in Sable.

(i) Subscriber became aware of this offering of the Acquired Shares solely by means of direct contact between Subscriber and Sable, or by means of contact from TD Securities (USA) LLC or Jefferies LLC, acting as placement agents for Sable (the “Placement Agents”), and the Acquired Shares were offered to Subscriber solely by direct contact between Subscriber and Sable, or by contact between Subscriber and a Placement Agent. Subscriber did not become aware of this offering of the Acquired Shares, nor were the Acquired Shares offered to Subscriber, by any other means.

(j) Subscriber acknowledges that it is aware that there are substantial risks incident to the purchase and ownership of the Acquired Shares, including those set forth in the SEC Reports. Subscriber has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Acquired Shares, and Subscriber has sought such accounting, legal and tax advice as Subscriber has considered necessary to make an informed investment decision.

(k) Subscriber has adequately analyzed and fully considered the risks of an investment in the Acquired Shares and determined that the Acquired Shares are a suitable investment for Subscriber, and Subscriber is able at this time and in the foreseeable future to bear the economic risk of a total loss of Subscriber's investment in Sable. Subscriber acknowledges specifically that a possibility of total loss exists.

(l) Subscriber understands and agrees that no federal or state agency has passed upon or endorsed the merits of the offering of the Acquired Shares or made any findings or determination as to the fairness of this investment.

(m) Subscriber is not (i) a person or entity named on the List of Specially Designated Nationals and Blocked Persons, the Executive Order 13599 List, the Foreign Sanctions Evaders List, or the Sectoral Sanctions Identification List, each of which is administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), or any other Executive Order issued by the President of the United States and administered by OFAC (collectively "OFAC Lists"), (ii) owned or controlled by, or acting on behalf of, a person, that is named on an OFAC List; (iii) organized, incorporated, established, located, resident in, or a citizen, national, or the government, including any political subdivision, agency, or instrumentality thereof, of, Cuba, Iran, North Korea, the Crimea region of Ukraine, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, or any other country or territory embargoed or subject to comprehensive sanctions by the United States, (iv) a Designated National as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515, or (v) a non-U.S. shell bank or providing banking services indirectly to a non-U.S. shell bank. Subscriber represents that if it is a financial institution subject to the Bank Secrecy Act (31 U.S.C. section 5311 et seq.) (the "BSA"), as amended by the USA PATRIOT Act of 2001 (the "PATRIOT Act"), and its implementing regulations (collectively, the "BSA/PATRIOT Act"), that Subscriber maintains policies and procedures reasonably designed to comply with applicable obligations under the BSA/PATRIOT Act. Subscriber also represents that, to the extent required, it maintains policies and procedures reasonably designed to ensure compliance with OFAC-administered sanctions programs, including for the screening of its investors against the OFAC Lists. Subscriber further represents and warrants that, to the extent required, it maintains policies and procedures reasonably designed to ensure that the funds held by Subscriber and used to purchase the Acquired Shares were legally derived.

(n) If Subscriber is an employee benefit plan that is subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), a plan, an individual retirement account or other arrangement that is subject to section 4975 of the Code or an employee benefit plan that is a governmental plan (as defined in section 3(32) of ERISA), a church plan (as defined in section 3(33) of ERISA), a non-U.S. plan (as described in section 4(b)(4) of ERISA) or other plan that is not subject to the foregoing but may be subject to provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code, or an entity whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan") subject to the fiduciary or prohibited transaction provisions of ERISA or section 4975 of the Code, Subscriber represents and warrants that (i) neither Sable nor any of its affiliates (the "Transaction Parties"), has acted as the Plan's fiduciary, or has been relied on for advice, with respect to its decision to acquire and hold the Acquired Shares, and none of the Transaction Parties shall at any time be relied upon as the Plan's fiduciary with respect to any decision to acquire, continue to hold or transfer the Acquired Shares; (ii) the decision to invest in the Acquired Shares has been made at the recommendation or direction of an "independent fiduciary" within the meaning of US Code of Federal Regulations 29 C.F.R. section 2510.3 21(c), as amended from time to time (the "Fiduciary Rule") who is (1) independent of the Transaction Parties; (2) is capable of evaluating investment risks independently, both in general and with respect to particular transactions and investment strategies (within the meaning of the

Fiduciary Rule); (3) is a fiduciary (under ERISA and/or section 4975 of the Code) with respect to Subscriber's investment in the Acquired Shares and is responsible for exercising independent judgment in evaluating the investment in the Acquired Shares; and (4) is aware of and acknowledges that none of the Transaction Parties is undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the purchaser's or transferee's investment in the Acquired Shares.

(o) At the Closing, Subscriber will have sufficient funds to pay the Purchase Price.

(p) Subscriber acknowledges and agrees that neither the Placement Agents, nor any of their respective affiliates, has provided Subscriber with any information or advice with respect to the Acquired Shares nor is such information or advice necessary or desired. Neither the Placement Agents nor any of their respective affiliates has made or makes any representation as to Sable or the quality or value of the Acquired Shares. Further, the Placement Agents and any of their respective affiliates may have acquired non-public information with respect to Sable, which Subscriber agrees need not be provided to it. On behalf of itself and its affiliates, Subscriber acknowledges that the Placement Agents shall not have any liability or any obligation to Subscriber or its affiliates in respect of this Subscription Agreement or the transactions contemplated hereby including, but not limited to, any action heretofore or hereafter taken or omitted to be taken by any of them in connection with Subscriber's purchase of the Acquired Shares.

(q) Subscriber acknowledges and agrees that it has not received any recommendation with respect to the Subscription from the Placement Agents and thus will not be deemed to form a relationship with the Placement Agents in connection with the Subscription that would require the Placement Agents to treat Subscriber as a "retail customer" for purposes of Regulation Best Interest pursuant to Rule 11-1 of the Exchange Act, or a "retail investor" for purposes of Form CRS pursuant to Rule 17a-14 of the Exchange Act. Accordingly, Subscriber acknowledges and agrees that it is not entitled to the protections or disclosures required by Regulation Best Interest or Form CRS with respect to the Subscription.

(r) Subscriber acknowledges and agrees that the Placement Agents, and their respective affiliates, are acting solely as placement agents in connection with the Subscription and are not acting as underwriters or in any other capacity and are not and shall not be construed as a financial advisor, tax advisor or fiduciary for Subscriber, Sable or any other person or entity in connection with the Subscription.

(s) Subscriber acknowledges that no disclosure or offering document has been prepared by the Placement Agents or any of their respective affiliates in connection with the offer and sale of the Acquired Shares.

(t) Subscriber acknowledges that it has not relied on the Placement Agents in connection with its determination as to the legality of its acquisition of the Acquired Shares or as to the other matters referred to herein, and Subscriber has not relied on any investigation that the Placement Agents, any of their affiliates or any person acting on their behalf have conducted with respect to the Acquired Shares or Sable. Subscriber further acknowledges that it has not relied on any information contained in any research reports prepared by the Placement Agents or any of their affiliates.

5. Registration Rights.

(a) Sable agrees to use commercially reasonable efforts to, within fifteen (15) business days after the Closing Date (the "Filing Date"), file with the SEC (at Sable's sole

cost and expense) a registration statement (the “Registration Statement”) registering the resale of the Acquired Shares, and Sable shall use its commercially reasonable efforts to have the Registration Statement declared effective under the Securities Act as soon as practicable after the filing thereof, but no later than the earlier of (i) the 60th calendar day (or 90th calendar day if the SEC notifies Sable that it will “review” the Registration Statement) following the Closing Date and (ii) the fifth business day after the date Sable is notified (orally or in writing, whichever is earlier) by the SEC that the Registration Statement will not be “reviewed” or will not be subject to further review (such earlier date, the “Effectiveness Date”); *provided, however*, that Sable’s obligations to include Acquired Shares in the Registration Statement are contingent upon Subscriber furnishing in writing to Sable such information regarding Subscriber, the securities of Sable held by Subscriber and the intended method of disposition of Acquired Shares as shall be reasonably requested by Sable to effect the registration of Acquired Shares, and Subscriber shall execute such documents in connection with such registration as Sable may reasonably request that are customary of a selling stockholder in similar situations, including providing that Sable shall be entitled to postpone and suspend the effectiveness or use of the Registration Statement during any customary blackout or similar period or as permitted hereunder; *provided* that Subscriber shall not in connection with the foregoing be required to execute any lock-up or similar agreement with Sable on the ability to transfer Acquired Shares. Any failure by Sable to file the Registration Statement by the Filing Date or to effect such Registration Statement by the Effectiveness Date shall not otherwise relieve Sable of its obligations to file or effect the Registration Statement as set forth above in this Section 5 and shall be subject to the provisions of Section 5(e). Sable shall provide a draft of the Registration Statement to Subscriber for review upon written request (including by way of email) at least four (4) business days in advance of the Filing Date. In no event shall Subscriber be identified as an “underwriter” in such Registration Statement without Subscriber’s prior written consent. Such Registration Statement shall not include any shares of Sable Common Stock or other securities for the account of any holder of securities of Sable other than the Acquired Shares and the shares of Sable Common Stock issued to the Other PIPE Investors pursuant to the Other Subscription Agreements without the prior written consent of Subscriber. If Form S-3 is not available for the registration of the resale of the Acquired Shares hereunder as of the Filing Date, Sable shall (i) register the resale of the Acquired Shares on Form S-1 and (ii) register such Acquired Shares for resale on Form S-3 promptly after the use of such form becomes available and use its commercially reasonable efforts to have such registration statement declared effective by the SEC.

(b) Notwithstanding anything to the contrary herein, solely for purposes of calculating the Effectiveness Date, the period between the Filing Date and the Effectiveness Date shall be tolled, on a day-for-day basis, for each calendar day following the Filing Date during which a federal government “shutdown” or funding lapse results in the SEC suspending or delaying the review or effectiveness of any registration statement or related filings; *provided, however*, if the federal government “shutdown” or funding lapse in effect on the date of this Agreement continues uninterrupted through February 28, 2026, then Sable shall promptly thereafter file the Registration Statement without delaying amendment language such that the Registration Statement shall become effective in accordance with Section 8(a) of the Securities Act within twenty (20) calendar days after such filing, and Sable shall take all actions reasonably necessary to maintain the continuous effectiveness of the Registration Statement thereafter in accordance with this Section 5. For the avoidance of doubt: (i) if any such “shutdown” or funding lapse ends on or before the Filing Date, no extension to the Effectiveness Date shall apply and (ii) if any such “shutdown” or funding lapse occurs or continues after the Filing Date, the Effectiveness Date shall be extended by the number of calendar days during which the “shutdown” or funding lapse continues after the Filing Date.

(c) In the case of the registration, qualification, exemption or compliance effected by Sable pursuant to this Subscription Agreement, Sable shall, upon reasonable request,

inform Subscriber as to the status of such registration, qualification, exemption and compliance. At its expense Sable shall:

(i) except for such times as Sable is permitted hereunder to suspend the use of the prospectus forming part of a Registration Statement, use its commercially reasonable efforts to keep such registration, and any qualification, exemption or compliance under state securities laws which Sable determines to obtain, continuously effective with respect to Subscriber, and to keep the applicable Registration Statement or any subsequent shelf registration statement free of any material misstatements or omissions, until the earliest of the following: (i) Subscriber ceases to hold any Acquired Shares, (ii) the date all Acquired Shares held by Subscriber may be sold without restriction under Rule 144, including without limitation, any volume and manner of sale restrictions which may be applicable to affiliates under Rule 144 and without the requirement for Sable to be in compliance with the current public information required under Rule 144(c)(1) (or Rule 144(i)(2), if applicable), and (iii) five years from the Effectiveness Date.;

(ii) advise Subscriber within five (5) business days (unless such earlier date is noted below):

(1) within two (2) business days of when a Registration Statement or any amendment thereto has been filed with the SEC and when such Registration Statement or any post-effective amendment thereto has become effective;

(2) within two (2) business days of any request by the SEC for amendments or supplements to any Registration Statement or the prospectus included therein or for additional information;

(3) within two (2) business days of the issuance by the SEC of any stop order suspending the effectiveness of any Registration Statement or the initiation of any proceedings for such purpose;

(4) within two (2) business days of the receipt by Sable of any notification with respect to the suspension of the qualification of the Acquired Shares included therein for sale in any jurisdiction; and

(5) subject to the provisions in this Subscription Agreement, of the occurrence of any event that requires the making of any changes in any Registration Statement or prospectus so that, as of such date, the statements therein are not misleading and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in the light of the circumstances under which they were made) not misleading.

6. Notwithstanding anything to the contrary set forth herein, Sable shall not, when so advising Subscriber of such events, provide Subscriber with any material, nonpublic information regarding Sable other than to the extent that providing notice to Subscriber of the occurrence of the events listed in (1) through (5) above constitutes material, nonpublic information regarding Sable;

(i) use its commercially reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement as soon as reasonably practicable;

(ii) upon the occurrence of any event contemplated above, except for such times as Sable is permitted hereunder to suspend, and has suspended, the use of a prospectus forming part of a Registration Statement, Sable shall use its commercially reasonable efforts to as soon as reasonably practicable prepare a post-effective amendment to such Registration Statement or a supplement to the related prospectus, or file any other required document so that, as thereafter delivered to purchasers of Acquired Shares included therein, such prospectus will not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(iii) use its commercially reasonable efforts to cause all Acquired Shares to be listed on each securities exchange or market, if any, on which Sable Common Stock issued by Sable has been listed;

(iv) use its commercially reasonable efforts to take all other steps necessary to effect the registration of the Acquired Shares contemplated hereby and to enable Subscriber to sell Sable Common Stock under Rule 144; and

(v) subject to receipt from Subscriber by Sable and its transfer agent of customary representations and other documentation reasonably acceptable to Sable and the transfer agent in connection therewith, including, if required by the transfer agent, an opinion of Sable's counsel, in a form reasonably acceptable to the transfer agent, to the effect that the removal of such restrictive legends in such circumstances may be effected under the Securities Act, upon Subscriber's request, Sable will (following receipt of such customary representations and other documentation reasonably acceptable to Sable) reasonably cooperate with Sable's transfer agent, such that any remaining restrictive legend set forth on such Acquired Shares will be removed from the book entry position evidencing its Acquired Shares following the earliest of such time as such Acquired Shares hereunder are either eligible to be sold (i) pursuant to an effective registration statement or (ii) without restriction under, and without the requirement for Sable to be in compliance with the current public information requirements of, Rule 144 under the Securities Act. Sable shall be responsible for the fees of its transfer agent, its legal counsel and all Depository Trust Company fees associated with such issuance.

(a) Notwithstanding anything to the contrary in this Subscription Agreement, Sable shall be entitled to delay or postpone the effectiveness of the Registration Statement, and from time to time to require Subscriber not to sell under the Registration Statement or to suspend the effectiveness thereof, if it determines, upon the advice of outside legal counsel that the negotiation or consummation of a transaction by Sable or its subsidiaries is pending or an event has occurred, which negotiation, consummation or event, Sable's board of directors reasonably believes, upon the advice of legal counsel, would require additional disclosure by Sable in the Registration Statement of material information that Sable has a bona fide business purpose for keeping confidential and the non-disclosure of which in the Registration Statement would be expected, in the reasonable determination of Sable's board of directors, upon the advice of legal counsel, to cause the Registration Statement to fail to comply with applicable disclosure requirements (each such circumstance, a "Suspension Event"); *provided, however*, that Sable may not delay or suspend the Registration Statement on more than two occasions or for more than forty-five (45) consecutive calendar days, or more than ninety (90) total calendar days, in each case during any twelve-month period. Upon receipt of any written notice from Sable of the happening of any Suspension Event during the period that the Registration Statement is effective or if as a result of a Suspension Event the Registration Statement or related prospectus contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made (in the case of the prospectus) not misleading, Subscriber agrees that (i) it will immediately discontinue offers and sales of the Acquired Shares under the Registration

Statement (excluding, for the avoidance of doubt, sales conducted pursuant to Rule 144) until Subscriber receives copies of a supplemental or amended prospectus (which Sable agrees to promptly prepare) that corrects the misstatement(s) or omission(s) referred to above and receives notice that any post-effective amendment has become effective or unless otherwise notified by Sable that it may resume such offers and sales, and (ii) it will maintain the confidentiality of any information included in such written notice delivered by Sable unless otherwise required by law or subpoena. If so directed by Sable, Subscriber will deliver to Sable or, in Subscriber's sole discretion destroy, all copies of the prospectus covering Acquired Shares in Subscriber's possession; provided, however, that this obligation to deliver or destroy all copies of the prospectus covering Acquired Shares shall not apply (i) to the extent Subscriber is required to retain a copy of such prospectus (a) in order to comply with applicable legal, regulatory, self-regulatory or professional requirements or (b) in accordance with a bona fide pre-existing document retention policy or (ii) to copies stored electronically on archival servers as a result of automatic data back-up.

(b) Indemnification.

(i) Sable shall indemnify, to the fullest extent permitted by law, Subscriber, its directors, officers, advisers and agents and each person who controls Subscriber (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses (including attorneys' fees) caused by any untrue or alleged untrue statement of material fact contained in any Registration Statement, prospectus included in any Registration Statement ("Prospectus") or preliminary Prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or based on any information furnished in writing to Sable by Subscriber expressly for use therein.

(ii) In connection with any Registration Statement in which Subscriber is participating, Subscriber shall furnish to Sable in writing such information and affidavits as Sable reasonably requests for use in connection with any such Registration Statement or Prospectus and, to the extent permitted by law, shall indemnify Sable, its directors and officers and agents and each person who controls Sable (within the meaning of the Securities Act) against any losses, claims, damages, liabilities and expenses (including without limitation reasonable attorneys' fees) resulting from any untrue statement of material fact contained in the Registration Statement, Prospectus or preliminary Prospectus or any amendment thereof or supplement thereto or any omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by Subscriber expressly for use therein; *provided, however*, that the liability of Subscriber shall be several and not joint with any other holders of Sable Common Stock and shall be in proportion to and, together with any amounts paid or payable pursuant to this Section 5(e)(ii), shall not exceed the dollar amount of the net proceeds received by Subscriber upon the sale of Acquired Shares giving rise to such indemnification obligation.

(iii) Any person entitled to indemnification herein shall (1) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (2) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld). An indemnifying party who elects not to

assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. No indemnifying party shall, without the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement which cannot be settled in all respects by the payment of money (and such money is so paid by the indemnifying party pursuant to the terms of such settlement) or which settlement does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(iv) The indemnification provided for under this Subscription Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person of such indemnified party and shall survive the transfer of securities.

(v) If the indemnification provided under this Section 5(e) from the indemnifying party is unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages, liabilities and expenses referred to herein, then the indemnifying party, in lieu of indemnifying the indemnified party, shall contribute to the amount paid or payable by the indemnified party as a result of such losses, claims, damages, liabilities and expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party, as well as any other relevant equitable considerations; provided, that the liability of Subscriber, together with any amounts paid or payable pursuant to this Section 5(e)(v), shall be limited to the net proceeds received by Subscriber from the sale of Acquired Shares giving rise to such indemnification obligation. The relative fault of the indemnifying party and indemnified party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, was made by, or relates to information supplied by, such indemnifying party or indemnified party, and the indemnifying party's and indemnified party's relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses or other liabilities referred to above shall be deemed to include, subject to the limitations set forth in Sections 5(e)(i), (ii) and (iii) above, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution pursuant to this Section 5(e) from any person who was not guilty of such fraudulent misrepresentation.

7. Termination. This Subscription Agreement shall terminate and be void and of no further force and effect, and all rights and obligations of the parties hereunder shall terminate without any further liability on the part of any party in respect thereof, upon the mutual written agreement of each of the parties hereto to terminate this Subscription Agreement; *provided*, that nothing herein will relieve any party from liability for any willful breach hereof prior to the time of termination, and each party will be entitled to any remedies at law or in equity to recover losses, liabilities or damages arising from such breach.

8. Covenants.

(a) Sable's Covenants.

(i) Except as contemplated herein, Sable, its subsidiaries and their respective affiliates shall not, and shall cause any person acting on behalf of any of the foregoing

to not, take any action or steps that would require registration of the issuance of any of the Acquired Shares under the Securities Act.

(ii) With a view to making available to Subscriber the benefits of Rule 144 promulgated under the Securities Act or any other similar rule or regulation of the SEC that may at any time permit Subscriber to sell securities of Sable to the public without registration, Sable agrees, from and after the time the benefits of such rules or regulations may be available to Subscriber for so long as Subscriber holds the Acquired Shares, to:

(1) make and keep public information available, as those terms are understood and defined in Rule 144;

(2) file with the SEC in a timely manner all reports and other documents required of Sable under the Securities Act and the Exchange Act if Sable becomes, and for so long as Sable remains, subject to such requirements and the filing of such reports and other documents is required for the applicable provisions of Rule 144; and

(3) furnish to Subscriber so long as it owns Acquired Shares, promptly upon request, (x) an electronic statement by Sable, if true, that it has complied with the reporting requirements of the Exchange Act as required under Rule 144, (y) an electronic copy of the most recent annual or quarterly report of Sable and such other reports and documents so filed by Sable and (z) such other information as may be reasonably requested to permit Subscriber to sell such securities pursuant to Rule 144 without registration.

(iii) Sable shall use commercially reasonable efforts to cause the legend described in Section 4(e) relating to securities law transfer restrictions to be removed, including to cause an opinion of Sable's counsel to be provided in connection therewith, and Sable shall use commercially reasonable efforts to cause its transfer agent to issue a certificate without such legend to the holder of the Acquired Shares upon which it is stamped or issue to such holder by electronic delivery at the applicable balance account at The Depository Trust Company ("DTC"), if (i) such Acquired Shares are registered for resale under the Securities Act and Sable's counsel will provide any opinions required with respect to such legend removal, (ii) in connection with a sale, assignment or other transfer, such holder provides Sable with customary representations and Sable provides the transfer agent an opinion of counsel to the effect that such sale, assignment or transfer of the Acquired Shares may be made without registration under the applicable requirements of the Securities Act, or (iii) the Acquired Shares can be sold, assigned or transferred pursuant to Rule 144 without restriction. Sable shall be responsible for the fees of its transfer agent and counsel and all DTC fees associated with such issuance, including any other costs related to Sable's obligations under this Section 7(a)(iii) and Section 4(e).

(iv) Sable will use commercially reasonable efforts to continue the listing and trading of Sable Common Stock on NYSE and, in accordance therewith, will use commercially reasonable efforts to comply in all material respects with Sable's reporting, filing and other obligations under the bylaws or rules of such market or exchange, as applicable.

(b) Subscriber's Covenants.

(i) On behalf of itself and its affiliates, Subscriber releases each Placement Agent in respect of any losses, claims, damages, obligations, penalties, judgments, awards, liabilities, costs, expenses or disbursements related to this Subscription Agreement or the transactions contemplated hereby.

9. Miscellaneous.

(a) Each party hereto acknowledges that the other party and the Placement Agents will rely on the acknowledgments, understandings, agreements, representations and warranties contained in this Subscription Agreement. Prior to the Closing Date, Subscriber agrees to promptly notify Sable (which agrees to then promptly notify the Placement Agents) if any of the acknowledgments, understandings, agreements, representations and warranties set forth herein are no longer accurate in all material respects. Subscriber and Sable further acknowledge and agree that each of the Placement Agents is a third-party beneficiary with the right to enforce Section 3, Section 4 and Section 8 of this Subscription Agreement on its behalf and not, for the avoidance of doubt, on behalf of Sable, and that each of the Placement Agents will rely on the acknowledgments, understandings, agreements, representations and warranties made by Subscriber and Sable contained in this Subscription Agreement.

(b) Sable, Subscriber and the Placement Agents (with respect to Section 3, Section 4 and Section 8 hereof) are entitled to rely upon this Subscription Agreement and are each irrevocably authorized to produce this Subscription Agreement or a copy hereof to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby and to the extent required by law or regulatory bodies. The Placement Agents are entitled to rely upon the acknowledgments, understandings, agreements, representations and warranties made by Subscriber and Sable in this Subscription Agreement.

(c) Subscriber may not assign this Subscription Agreement and any of Subscriber's rights and obligations hereunder without the prior consent of Sable; provided, that nothing in this Subscription Agreement shall prohibit Subscriber from transferring or assigning any of its rights, interests and obligations pursuant to this Subscription Agreement to any controlled affiliate of such Subscriber so long as (i) such transfer or assignment would not reasonably be expected to impair or delay the ability of Subscriber or such transferee to complete its respective obligations pursuant to this Subscription Agreement and (ii) such transferee would otherwise not violate any of the representation and warranties contained in Section 4 hereof. Subject to the foregoing, Subscriber's permitted assignee(s) agrees to be bound by the terms hereof. Upon such permitted assignment by Subscriber, the assignee(s) shall become Subscriber hereunder and have the rights and obligations provided for herein to the extent of such assignment. Neither this Subscription Agreement nor any rights that may accrue to Sable hereunder or any of Sable's respective obligations may be transferred or assigned.

(d) All the agreements, covenants, representations and warranties made by each party hereto in this Subscription Agreement shall survive the Closing.

(e) Sable may request from Subscriber such additional information as Sable may deem reasonably necessary to evaluate the eligibility of Subscriber to acquire the Acquired Shares, and Subscriber shall provide such information as may be reasonably requested, to the extent readily available and to the extent consistent with its internal policies and procedures; *provided*, that, upon receipt of such additional information, Sable agrees to keep any such information confidential but shall be allowed to convey such information to each Placement Agent and such Placement Agent shall keep the information confidential, except as may be required by applicable law, rule, regulation or in connection with any legal proceeding or regulatory request.

(f) This Subscription Agreement may not be modified, waived or terminated except by an instrument in writing, signed by the party against whom enforcement of such modification, waiver, or termination is sought.

(g) This Subscription Agreement constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, among the parties, with respect to the subject matter hereof. Except as set forth

in Section 5(e), this Subscription Agreement shall not confer any rights or remedies upon any person other than the parties hereto and their respective successor and assigns.

(h) Except as otherwise provided herein, this Subscription Agreement shall be binding upon, and inure to the benefit of the parties hereto and their affiliates, heirs, executors, administrators, successors, legal representatives, and permitted assigns, and the agreements, representations, warranties, covenants and acknowledgments contained herein shall be deemed to be made by, and be binding upon, such heirs, executors, administrators, successors, legal representatives and permitted assigns.

(i) If any provision of this Subscription Agreement shall be adjudicated by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of this Subscription Agreement shall not in any way be affected or impaired thereby and shall continue in full force and effect.

(j) This Subscription Agreement may be executed in one or more counterparts (including by facsimile or electronic mail or in .pdf) and by different parties in separate counterparts, with the same effect as if all parties hereto had signed the same document. All counterparts so executed and delivered shall be construed together and shall constitute one and the same agreement.

(k) Subscriber shall pay all of its own expenses in connection with this Subscription Agreement and the transactions contemplated by this Subscription Agreement.

(l) Any notice or communication required or permitted hereunder shall be in writing and either delivered personally, or emailed, sent by overnight mail via a reputable overnight carrier, or sent by certified or registered mail, postage prepaid, and shall be deemed to be given and received (a) when so delivered personally, (b) when sent, with no mail undeliverable or other rejection notice, if sent by email, or (c) five (5) business days after the date of mailing to the address below or to such other address or addresses as such person may hereafter designate by notice given hereunder:

if to Subscriber, to such address or addresses set forth on the signature page hereto; and

if to Sable, to:

Sable Offshore Corp.
845 Texas Ave., Ste. 2920
Houston, Texas 77002
Attn:
Phone:
Email:

(m) The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Subscription Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to seek an injunction or injunctions to prevent breaches of this Subscription Agreement and to enforce specifically the terms and provisions of this Subscription Agreement, this being in addition to any other remedy to which such party is entitled at law, in equity, in contract, in tort or otherwise.

(n) This Subscription Agreement, and any claim or cause of action hereunder based upon, arising out of or related to this Subscription Agreement (whether based on law, in equity, in contract, in tort or any other theory) or the negotiation, execution, performance or

enforcement of this Subscription Agreement, shall be governed by and construed in accordance with the Laws of the State of Delaware, without giving effect to the principles of conflicts of laws thereof.

THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE, AND, IF SUCH FEDERAL COURT DOES NOT HAVE JURISDICTION, THE COURTS OF THE STATE OF DELAWARE SOLELY IN RESPECT OF THE INTERPRETATION AND ENFORCEMENT OF THE PROVISIONS OF THIS SUBSCRIPTION AGREEMENT AND THE DOCUMENTS REFERRED TO IN THIS SUBSCRIPTION AGREEMENT AND IN RESPECT OF THE TRANSACTIONS CONTEMPLATED HEREBY, AND HEREBY WAIVE, AND AGREE NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING FOR INTERPRETATION OR ENFORCEMENT HEREOF OR ANY SUCH DOCUMENT THAT IS NOT SUBJECT THERETO OR THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN SAID COURTS OR THAT VENUE THEREOF MAY NOT BE APPROPRIATE OR THAT THIS SUBSCRIPTION AGREEMENT OR ANY SUCH DOCUMENT MAY NOT BE ENFORCED IN OR BY SUCH COURTS, AND THE PARTIES HERETO IRREVOCABLY AGREE THAT ALL CLAIMS WITH RESPECT TO SUCH ACTION, SUIT OR PROCEEDING SHALL BE HEARD AND DETERMINED BY SUCH FEDERAL OR DELAWARE STATE COURT. THE PARTIES HEREBY CONSENT TO AND GRANT ANY SUCH COURT JURISDICTION OVER THE PERSON OF SUCH PARTIES AND OVER THE SUBJECT MATTER OF SUCH DISPUTE AND AGREE THAT MAILING OF PROCESS OR OTHER PAPERS IN CONNECTION WITH SUCH ACTION, SUIT OR PROCEEDING IN THE MANNER PROVIDED IN SECTION 8(l) OR IN SUCH OTHER MANNER AS MAY BE PERMITTED BY LAW SHALL BE VALID AND SUFFICIENT SERVICE THEREOF.

EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS SUBSCRIPTION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS SUBSCRIPTION AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS SUBSCRIPTION AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, PLACEMENT AGENT, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER; (II) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THE FOREGOING WAIVER; (III) SUCH PARTY MAKES THE FOREGOING WAIVER VOLUNTARILY AND (IV) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS SUBSCRIPTION AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 8(n).

(o) Sable shall, (i) by 9:00 a.m., New York City time, on the trading day immediately following the date of this Subscription Agreement, issue a press release or file a Current Report on Form 8-K (collectively, the “Disclosure Document”, and earlier of the actual issuance of such press release and/or filing of such Current Report on Form 8-K, the “Disclosure Time”), disclosing the material terms of the transactions contemplated hereby, the Other Subscription Agreements and any other material, nonpublic information that Sable has provided to Subscriber at any time prior to the Disclosure Time and (ii) file a Current Report on Form 8-K, including a form of this Subscription Agreement as an exhibit thereto (provided that such exhibit shall not include the name of Subscriber except as permitted pursuant to this Section 8(o)), with the SEC within the time required by the Exchange Act. Notwithstanding the foregoing, except as may otherwise be agreed with Subscriber, without such Subscriber’s prior written consent (email being sufficient), Sable shall not identify Subscriber or any of Subscriber’s affiliates by name or by identifiable description in any issuance of a press release, on its website, in any marketing materials or investor presentations, on social media channels, or in any SEC Reports (unless required by the rules and regulations of the SEC, in which case Sable shall provide Subscriber with prior written notice (including by e-mail) of such required disclosure, and shall reasonably consult with Subscriber regarding such disclosure). From and after the Disclosure Time, Sable represents to Subscriber that it shall have publicly disclosed all material, non-public information delivered to Subscriber by Sable or any of its subsidiaries, or any of their respective officers, directors, employees or agents in connection with the transactions contemplated by this Subscription Agreement. Sable understands and confirms that Subscriber shall be relying on the foregoing covenant in effecting transactions in securities of Sable.

(p) No Other Subscription Agreement shall provide for any terms, rights or benefits to the investor under such Other Subscription Agreement that are more favorable to such Other PIPE Investor than the terms, rights and benefits hereof, and Sable has not entered into any side letter or similar agreement regarding any Other PIPE Investor other than the Other Subscription Agreements that is materially more favorable to such Other PIPE Investor than the terms, rights and benefits hereof. After the date hereof, no Other Subscription Agreement shall be amended or modified, and no terms or conditions thereof waived, in each case in a manner that is materially more favorable to such other investor than the terms, rights and benefits hereof, unless such amendment, modification or waiver is also offered to Subscriber; provided that each Other Subscription Agreement reflects the same per share purchase price for the Acquired Shares and has other economic terms with respect to the purchase of the Acquired Shares that are no more favorable to any such Other PIPE Investor thereunder than the terms of this Subscription Agreement.

(q) The obligations of Subscriber under this Subscription Agreement are several and not joint with the obligations of any investor under the Other Subscription Agreements, and Subscriber shall not be responsible in any way for the performance of the obligations of any Other PIPE Investor under the Other Subscription Agreements. Nothing contained herein or in any Other Subscription Agreement, and no action taken by Subscriber or any Other PIPE Investor pursuant hereto or thereto, shall be deemed to constitute Subscriber and such Other PIPE Investors as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that Subscriber and such Other PIPE Investors are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Subscription Agreement and the Other Subscription Agreements. Subscriber shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Subscription Agreement, and it shall not be necessary for any other investor to be joined as an additional party in any proceeding for such purpose.

[Signature Pages Immediately Follow]

IN WITNESS WHEREOF, each of Sable and Subscriber has executed or caused this Subscription Agreement to be executed by its duly authorized representative as of the date set forth below.

SABLE OFFSHORE CORP.

By: _____

Name: James C. Flores

Title: Chairman of the Board & Chief

Executive Officer

Date: November 10, 2025

Signature Page to Subscription Agreement

SUBSCRIBER:

JOINT SUBSCRIBER, if applicable:

Signature of Subscriber:

Signature of Joint Subscriber, if applicable:

By: _____
Name:
Title:

By: _____
Name:
Title:

Date: _____, 2025

Date: _____, 2025

Name in which securities are to be registered
(if different)

Email Address: _____

If there are joint investors, please check one:

Joint Tenants with Rights of Survivorship

Tenants-in-Common

Community Property

Subscriber's EIN:

Joint Subscriber's EIN:

Business Address-Street:

Mailing Address-Street (if different):

City, State, Zip:

City, State, Zip:

Attn:

Attn:

Telephone No.: _____

Telephone No.: _____

Facsimile No.: _____

Facsimile No.: _____

Aggregate Number of Acquired Shares subscribed for:

Aggregate Purchase Price:

\$ [●]

You must pay the Purchase Price by wire transfer of United States dollars in immediately available funds to the account specified by Sable in the Closing Notice.

Signature Page to Subscription Agreement

SCHEDULE A
ELIGIBILITY REPRESENTATIONS OF SUBSCRIBER

A. QUALIFIED INSTITUTIONAL BUYER STATUS

(Please check the applicable subparagraphs):

1. We are a “qualified institutional buyer” (as defined in Rule 144A under the Securities Act (a “QIB”).
2. We are subscribing for the Acquired Shares as a fiduciary or agent for one or more investor accounts, and each owner of such account is a QIB.

*** OR ***

B. ACCREDITED INVESTOR STATUS

(Please check the applicable subparagraphs):

1. We are an “accredited investor” (within the meaning of Rule 501(a) under the Securities Act) or an entity in which all of the equity holders are accredited investors within the meaning of Rule 501(a) under the Securities Act, and have marked and initialed the appropriate box on the following page indicating the provision under which we qualify as an “accredited investor.”
2. We are not a natural person.

*** AND ***

C. AFFILIATE STATUS

(Please check the applicable box)

SUBSCRIBER:

- is:
 is not:

an “affiliate” (as defined in Rule 144 under the Securities Act) of Sable acting on behalf of an affiliate of Sable.

***This page should be completed by Subscriber
and constitutes a part of the Subscription Agreement.***

Rule 501(a), in relevant part, states that an “accredited investor” shall mean any person who comes within any of the below listed categories, or who the issuer reasonably believes comes within any of the below listed categories, at the time of the sale of the securities to that person. Subscriber has indicated, by marking and initialing the appropriate box below, the provision(s) below which apply to Subscriber and under which Subscriber accordingly qualifies as an “accredited investor.”

ENTITY

- Any bank as defined in section 3(a)(2) of the Securities Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity;
- Any broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934;
- Any insurance company as defined in section 2(a)(13) of the Securities Act;
- Any investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act;
- Any Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;
- Any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;
- Any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- Any private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;
- Any organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000; or
- Any trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in § 230.506(b)(2)(ii).
- Any “family office,” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940: (i) with assets under management in excess of \$5,000,000, (ii) that is not formed for the specific purpose of acquiring the securities offered, and (iii) whose prospective investment is directed by a person who has such knowledge and experience in

financial and business matters that such family office is capable of evaluating the merits and risks of the prospective investment;

- Any “family client,” as defined in rule 202(a)(11)(G)-1 under the Investment Advisers Act of 1940, of a family office meeting the requirements described above and whose prospective investment in the issuer is directed by such family office pursuant to clause (iii) of the above; or
- Any entity in which all of the equity owners are accredited investors meeting one or more of the above and below tests.

***This page should be completed by Subscriber
and constitutes a part of the Subscription Agreement.***

INDIVIDUAL

- Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer.

- Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his or her purchase exceeds \$1,000,000. For purposes of calculating a natural person's net worth: (a) the person's primary residence must not be included as an asset; (b) indebtedness secured by the person's primary residence up to the estimated fair market value of the primary residence must not be included as a liability (except that if the amount of such indebtedness outstanding at the time of calculation exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the amount of such excess must be included as a liability); and (c) indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the residence must be included as a liability;

- Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;

***This page should be completed by Subscriber
and constitutes a part of the Subscription Agreement.***

CERTIFICATION

I, James C. Flores, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sable Offshore Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2025

/s/ James C. Flores

James C. Flores
Chairman and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Gregory D. Patrinely, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sable Offshore Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 13, 2025

/s/ Gregory D. Patrinely

Gregory D. Patrinely

Executive Vice President and Chief Financial Officer

(Principal Accounting Officer and Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Sable Offshore Corp. (the "Company") for the period ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James C. Flores, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 13, 2025

/s/ James C. Flores

James C. Flores

Chairman and Chief Executive Officer

(Principal Executive Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Sable Offshore Corp. (the "Company") for the period ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory D. Patrinely, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 13, 2025

/s/ Gregory D. Patrinely

Gregory D. Patrinely

Executive Vice President and Chief Financial Officer

(Principal Accounting Officer and Principal Financial Officer)

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Attachment B

EXCLUSIVE: EXXON SPINOUT SABLE LEAKED KEY INFO TO INVESTORS INCLUDING GOLFER PHIL MICKELSON



OCT 31, 2025 1:00 PM EST

BY: [Sam Koppelman](#) [Till Daldrup](#)

EDITOR: [Jim Impoco](#)

On a leaked call, Sable Offshore CEO Jim Flores told a select group of investors in October that the company would likely have to raise up to \$200 million in equity by the end of 2025. The company had not disclosed this dilutive equity offering publicly.

It's one of several examples of apparently selective disclosure from Sable. The company seems to have shared information only with certain investors, a list that includes golfer Phil Mickelson, according to messages from a group chat leaked to Hunterbrook.

In one of those messages, Mickelson passed on a tip allegedly from the company's CEO in an X group chat that Sable would be issuing [an 8-K filing](#) about a material update later that day. Sable did in fact issue a market-moving 8-K shortly thereafter.

"I believe this beyond any doubt: These guys definitely have first hand communication from Jim and they are being fed



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HUNTERBROOK

[SIGN UP](#)

and activists have [so far stopped Sable](#) from utilizing its sole asset — a pipeline that in 2015 erupted into one of the [worst oil spills](#) in California history.

Mickelson declined to comment directly to Hunterbrook despite repeated outreach. In a message to the group chat, which is called “Sable Quantum Offshore Compute,” he warned that Hunterbrook was “looking into this chat as if we have inside info.”

“What’s funny about it is we’ve all been wrong on just about everything and we’ve all lost money but whatever,” Mickelson added, before posting a phone number of a Hunterbrook reporter to the chat. (Another group member then attempted to dox the reporter in a Craigslist post offering free dog food, apparently not realizing that Hunterbrook was still reading their messages. Lol.)

On Wednesday, an anonymous X account [posted a very short excerpt](#) from the same call with investors obtained by Hunterbrook. Soon thereafter, a member of Mickelson’s chat relayed to the group that the company had contacted them claiming that the audio was AI generated, and asking investors to push back against an anticipated Bloomberg News article on Sable’s conduct. Within hours, a chorus of Sable investors, including Mickelson, was repeating that message on social media.

In response to questions about this, Sable told Hunterbrook that “based upon information provided to us we believe that the alleged recording was either AI generated or otherwise altered.”

The company did not respond to follow up questions regarding what led it to that belief, or what portions of the recording it believed had been altered. At Hunterbrook’s request, a leading AI detection company ran the recording through their platform and concluded that it is likely not to be manipulated using generative artificial intelligence in any way. Hunterbrook also asked a senior AI engineer at a top research lab to analyze the recording; he also confirmed that it was highly unlikely to be AI generated or altered. The recording Hunterbrook obtained includes the short excerpt that was posted on X, though the version on X sounds distorted.

Perhaps the most notable part of the call comes toward the end — when Flores lays out his Hail Mary plan to bring his project online: Enlisting President Trump and Commerce Secretary Howard Lutnick to avoid California regulations and secure federal funding for the project.

A carrot Sable is prepared to offer, according to the recording? A round of golf with “a certain lefty.”

A source close to Lutnick told Hunterbrook: “He’s never heard of the company and has no plans to golf with Mickelson.”

Hunterbrook Media’s investment affiliate, Hunterbrook Capital, does not have any positions related to this article at the time of publication. Positions may change at any time. Full disclosures below.

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The leaked audio recording of the video conference begins with a familiar lament: “Every time I open this thing up, it’s got a different set of instructions,” says an individual identified by sources as Sable Offshore’s chief executive Jim Flores, noting the “anxiety” of logging onto platforms like Zoom and Teams.

That’s about the only normal moment on the call, in which Flores ultimately tells a small group of investors the company would likely need to raise as much as \$200 million in equity within weeks, information he hadn’t disclosed to the general public. Issuing new equity would dilute the value of existing shareholder’s stock.

When one participant on the call suggested that it would be in investors’ interest for the stock price to be as high as possible when the equity was raised, Flores acknowledged that the company was “doing everything we can” to make that happen. Another participant noted that the company might be “able to announce the debt financing first for the package with the government, which will get the stock price up and then raise the equity.”

Almost as an afterthought, he or someone else on the call adds “without seeming

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After those comments, Flores pivoted to discussing whether getting approval for debt financing from the federal government was feasible during the ongoing shutdown.

0:00 / 0:54

The audio clip — which Hunterbrook obtained from a third party who claimed not to be on the call himself — offers a rare window into how a struggling public company has navigated the tension between needing capital and avoiding further dilution, while sharing potentially material information with a handpicked investor group.

Hunterbrook has obtained evidence indicating that Sable also may have shared material information with professional golfer Phil Mickelson, who in addition to being a shareholder, has become one of the most vocal Sable boosters, with posts on X calling on California officials to meet with him and “[enable Sable](#).”¹

Mickelson is also in a private group chat with select Sable investors, with whom he has shared insights from his conversations with the company’s CEO.

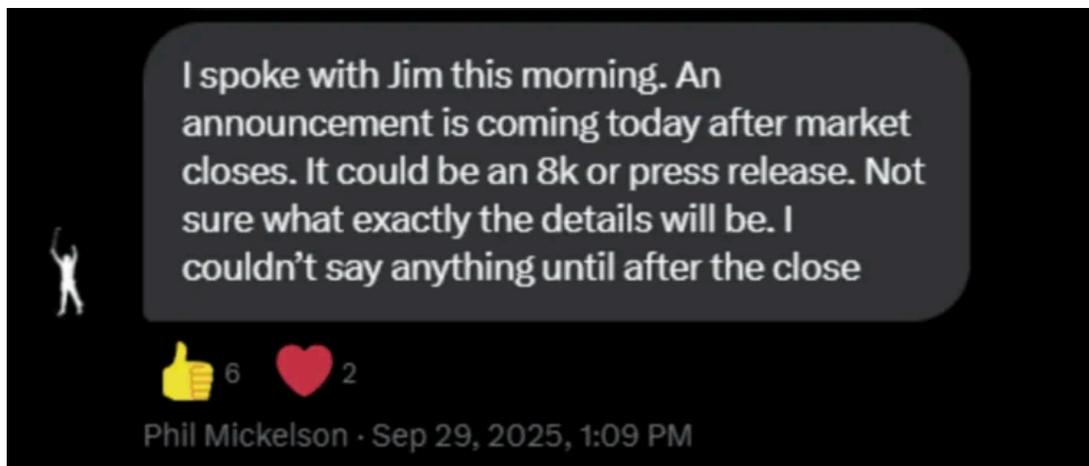
“The CEO Jim Flores and I are both on the same board of another company,” Mickelson wrote in a now-deleted post, explaining one possible origin story of their relationship. That company seems to be Intrepid Investment Management, which listed both men on its advisory board [as recently as January](#). Mickelson has since been removed from the page.

In 2016, Mickelson paid the Securities and Exchange Commission more than \$1 million to settle allegations he traded on inside information — after receiving [tips](#) about a public company from Billy Walters, [dubbed](#) the “world’s most successful sports bettor.” Walters was [sentenced](#) to five years in federal prison but ultimately did not serve the full sentence. In the waning hours of President Trump’s first term, Walters, who was found [guilty](#) of making more than \$40 million in illicit profits over

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allegedly speaking directly with Flores about regulatory approvals and company strategy, according to the private messages reviewed by Hunterbrook.

“I spoke to Jim this morning. An announcement is coming today after market closes. It could be an 8K or press release,” Mickelson wrote to a group of Sable investors, in one example, on September 29.



A screenshot from the investor group chat showing Phil Mickelson knew about Sable's incoming 8-K before it was published.

Later that afternoon, just after 5pm, [Sable filed the 8-K](#) — a form companies use to disclose material events to the public — disclosing its new strategy to circumvent California regulators.

The stock initially shot up 8% in after-hours trading after the news, before closing down the following day.

“Usually an 8-K is a release of material information,” said Adam Badawi, a securities law professor at UC Berkeley Law. “And so, if you know about the release of potential material information before it’s released to the general public, that’s generally going to be material non-public information.”

“It could be a potential Reg FD violation” by the company, he added, referring to the SEC rule that prohibits public companies from making selective disclosures of insider information to certain individuals, such as analysts or investors, before

This incident wasn't necessarily an aberration.

“I believe this beyond any doubt: These guys definitely have first hand communication from Jim and they are being fed information from Jim and giving it to other group members. There is a hierarchy to the insiders,” a member of the chat opined to Hunterbrook, referring to certain other members of the group whom he did not name. “There are people that are very close to Jim and Jim is giving real information to. Then there's people that think they're close to Jim who he is giving fraudulent information to.”

(Asked when he sold his Sable shares, the source explained: “There comes a point after the fourth fraudulent 8-K where you realize this company isn't what it says.” While Hunterbrook is not aware of any conclusive finding that the company has engaged in fraud, and believes the source was speaking figuratively, the company is facing at least [one lawsuit](#) making such allegations.)

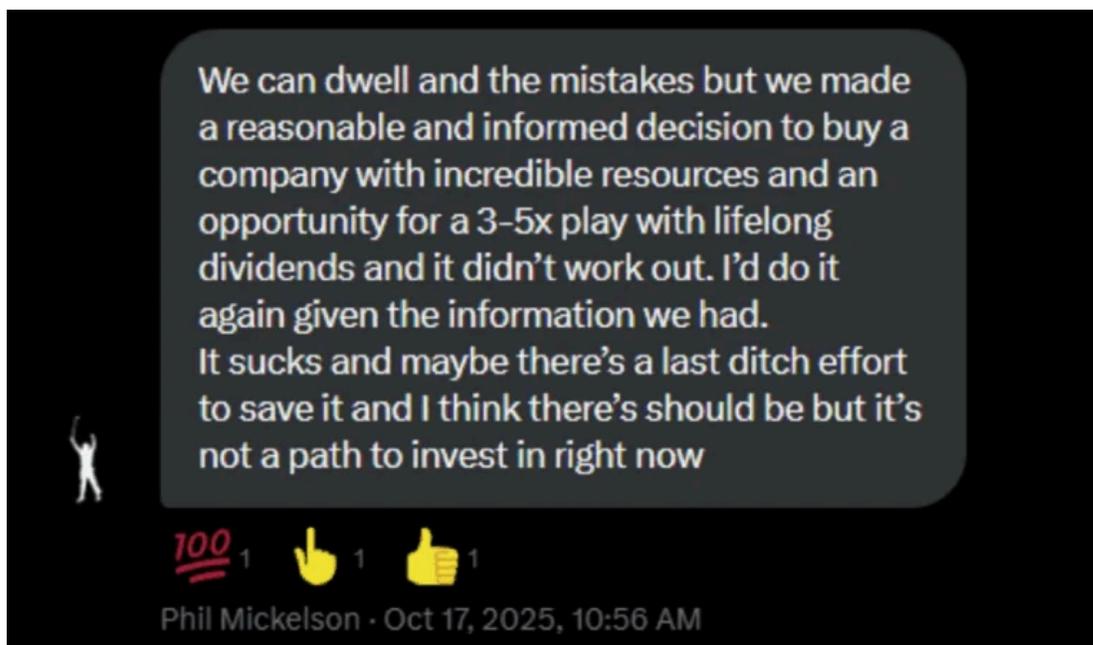
Numerous messages from recent months reviewed by Hunterbrook show Mickelson claiming to have frequently communicated with Flores, receiving details about company developments from the CEO — whom he sometimes called “BJF” for “Big Jim Flores.”

The leaked call and messages raise questions about the selective disclosure of material nonpublic information at a company racing against [a March 1, 2026, deadline](#). If Sable doesn't restart production by then, its only asset — three offshore oil platforms and an aging pipeline responsible for one of California's worst oil spills — reverts to Exxon Mobil without compensation, unless Exxon extends the terms of its loan.

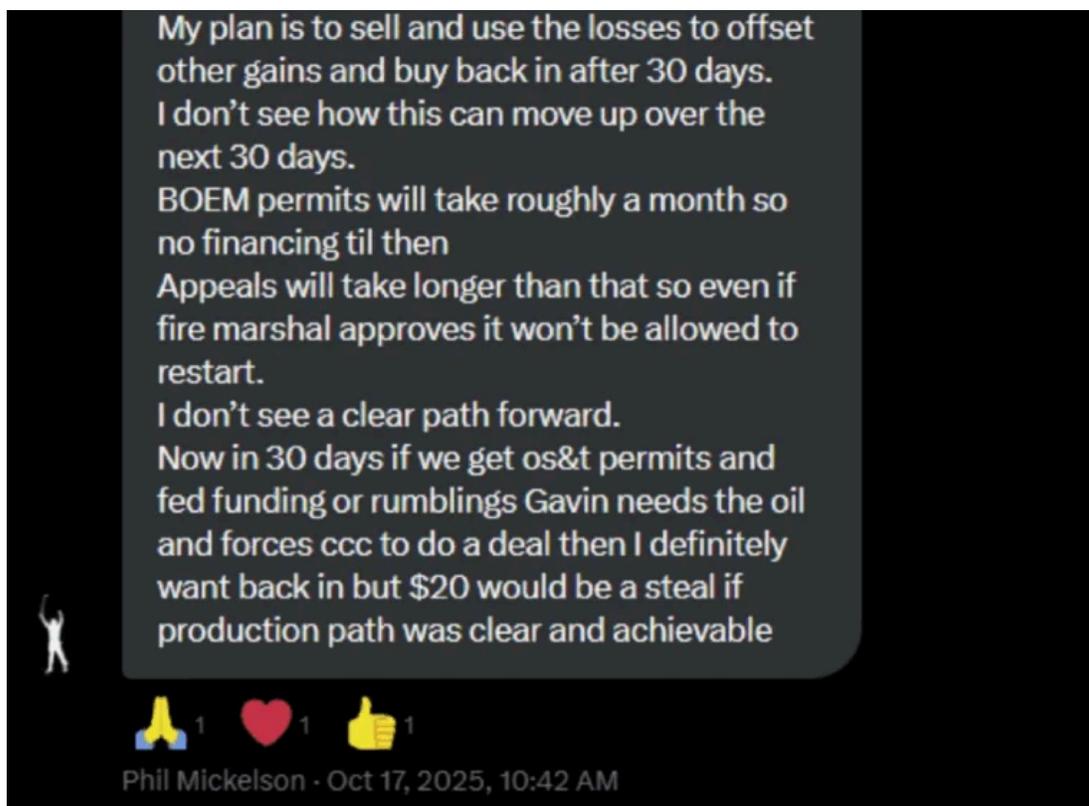
The company's struggles have intensified in recent months. After Sable told shareholders it had [completed pipeline repairs](#) — a claim that helped its stock soar in May — California's fire marshal [said in October](#) that more work was required. California officials have filed criminal [charges](#) against the company and its

denials have shareholders fearful, according to screenshots.

“We need an actual prayer,” Mickelson writes in one, admitting he planned to sell shares. “I don’t see a clear path forward.” In another, he writes: “I’m very defeated right now.” In a third, he says: “I’d do it again given the information we had. It sucks and maybe there’s a last ditch effort to save it and I think there’s should be but it’s not a path to invest in right now.”



A screenshot from the investor group chat showing Phil Mickelson’s resignation regarding Sable after several legal setbacks and regulatory denials.



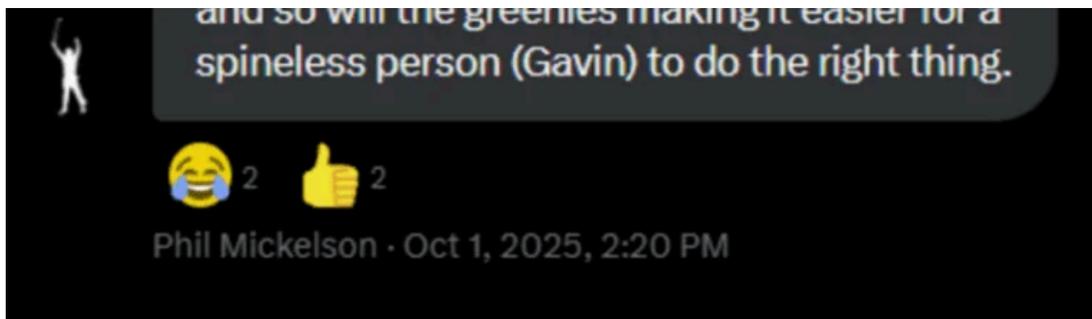
A screenshot from the investor group chat showing Phil Mickelson planned on selling his Sable shares and then buying back in at a later point.

But after selling his shares, Mickelson, who has a [documented history](#) of gambling addiction, wrote in a message that he bought them back — in part because there is now a Hail Mary path Mickelson seems to believe the company should pursue: convincing President Donald Trump to circumvent California Governor Gavin Newsom by funding an effort to run the project entirely in federal waters. Instead of pumping oil through the California pipeline, Sable would ship it around the world from a [storage vessel](#) off the coast.

This, Mickelson seems to believe according to the messages, could work — or, at the very least, buoy what remains of his investment. Trump confronting Newsom, Mickelson predicted (in more colorful language), could “drive up any stock.”

While waiting on the federal government, Mickelson has been taking his anger out at California elected officials and environmentalists — including Environmental Defense Center environmental lawyer Linda Kron, an advocate against the project

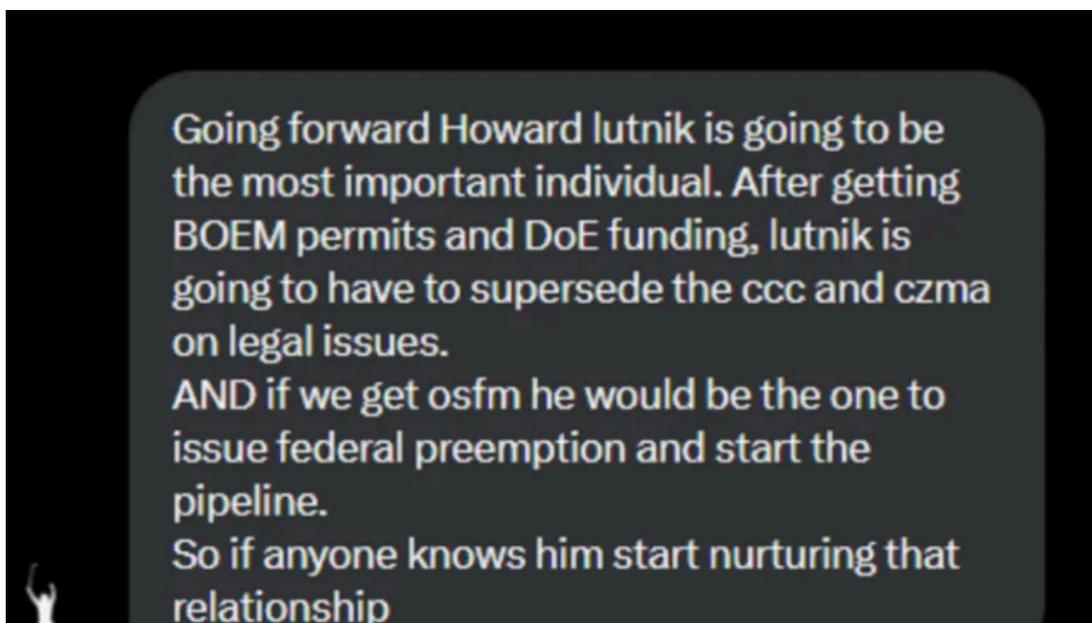
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A screenshot from the investor group chat showing Phil Mickelson referring to environmental lawyer Linda Krop with a misogynistic expletive.

In a comment to Hunterbrook, Krop said: “This isn’t about me. It’s about a company that can’t get it together to operate responsibly and is now being charged with felonies for its illegal activities, in addition to a state attorney general enforcement lawsuit, a maximum \$18 million fine, and multiple injunctions preventing repairs and restart.”

The exact plan for how Sable Offshore plans to be saved by the federal government appears unclear — and, at this point, largely improvisational. “Going forward Howard lutnik [sic] is going to be the most important individual,” Mickelson wrote of the Commerce Secretary on October 15. “So if anyone knows him start nurturing that relationship.”



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Lutnick came up again in the leaked audio file. “I’ve got a certain golf buddy that’s in the Commerce Department, all the way at the top” said one of the participants. “I’ve had to promise Lutnick a golf game on the West Coast with a certain left hander,” Flores responded, in an apparent reference to Mickelson.

A source close to Lutnick told Hunterbrook: “He’s never heard of the company and has no plans to golf with Mickelson.”

Flores cited ties with Energy Secretary Chris Wright as well and claimed to have reached Trump through an intermediary.

“DJT,” as Flores called him, had supposedly heard about a proposal to rename the Pacific Ocean as “Ocean America.”

“He liked it *too much*,” Flores said of the name, according to an alleged source of Flores’ who had spoken with Trump about Sable. “So if you hear Ocean America,” Flores told the investors, “that’s where it came from.”

Flores added that he had told his source to tell Trump that he would “put some gold leaf on the platforms.” The platform would also, apparently, boast Trump’s name. “We need to know whether we need to paint the letters 50 feet tall or 70 feet tall,” Flores said, “so we make sure Oprah can see the tanker from her Montecito mansion.”

On the call, Flores claims the message was indeed passed to Trump. Predictably, Flores said: “He liked it in gold.”

SABLE OFFSHORE: A PIPE DREAM?

The oil came ashore slowly — and then all at once.

On May 19, 2015, a corroded [pipeline ruptured](#) beneath the California coast and



A pelican covered in oil near Refugio Beach the day following the spill. Source: With permission from Michel Brewer

Federal investigators [found](#) that the company behind the pipeline had failed to prevent the corrosion and missed warning signs that could have stopped the rupture. A jury convicted the company on [nine criminal counts](#). The pipeline company, Plains, was ordered to pay more than \$305 million in settlements and penalties.

The pipeline had been carrying oil from three offshore platforms called the Santa Ynez Unit, owned by Exxon Mobil. After the spill, California tightened regulations on coastal pipelines. Plains agreed to enhanced oversight. And Exxon began the long process of trying to bring Santa Ynez back online.

Seven years later, Exxon gave up. The oil giant had tried three different restart plans — retrofitting old pipes, trucking oil onshore, everything short of reinventing the wheel. Nothing worked. California officials remained skeptical that the aging infrastructure could operate safely. In early 2024, Exxon [wrote down](#) the value of Santa Ynez by more than \$2 billion and blamed “continuing challenges in the state

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his tenure running Freeport-McMoran's oil and gas division. He was ultimately replaced amid billions in losses and writedowns.

Sable Permian Resources, Flores' next act, went [bankrupt](#) in 2020 after three years of operation. Tom Loughrey, who analyzed distressed credit in the oil and gas sector at the time, told Hunterbrook that Sable Permian "was poorly run" and "very scammy."

Sable *Offshore* was supposed to be Flores' comeback. In 2021, he formed a blank check SPAC. In 2022, he began pitching a takeover of Exxon's project, projecting a restart within two years.

In February 2024, Flores closed the deal — paying \$988 million for the Santa Ynez platforms and the pipeline, financed largely by a \$625 million loan from Exxon itself. The Santa Ynez Unit became Sable's only asset. The company went public on the New York Stock Exchange. And Flores told investors he could restart production in the third quarter of 2024, succeeding where Exxon had failed, and doing it in just eight months.

The catch? If Sable didn't restart production by March 1, 2026, everything could revert to Exxon. No compensation. (That is, unless Exxon extends the term of the loan.)

At the time, Hunterbrook Media expressed skepticism, calling Sable a "speculative gamble at the mercy of California regulators, litigators, and communities" and predicting that the project would not "restart production at Santa Ynez on time, if at all."

That prediction held: Sable kept moving its target restart date, from September 2024 to December 2024; then January of 2025; then February; and so on. It still hasn't restarted.

But the *idea* of Sable, the age-old promise of pulling treasure out of the ocean, caught fire. The stock price kept soaring, with backing from investors ranging from one of

Then reality caught up. After losing several key rulings in court; being sued by the California Attorney General; and still not yet being approved by the Office of the State Fire Marshal, Sable stock has fallen over 50% in recent months.

One central issue: Sable had told the public it had completed all necessary repairs on its pipeline, including in [a May 19 press release](#) that sent the stock soaring. The claim about construction being finished was critical. It was the reason Sable claimed it could restart the project, despite a May 28 preliminary injunction against it from the California Coastal Commission, which had jurisdiction over the repairs. If repairs were not complete, the CCC's injunction could prevent restart.

In an [October letter](#) to Sable, the Office of the State Fire Marshal explicitly said more repairs were required.

“I lost money. And without a doubt a lot of it was cause of miscommunication from management,” said one of the members of the group chat in an interview with Hunterbrook, citing specifically “the whole idea that the CCC case had no bearing over Fire Marshal approval.”

Amid the turmoil, and with Sable's market cap falling precipitously, the loyal, tight-knit group of Sable backers began to wonder if they had been lied to by the company — or if California politics was just *that* unpredictable. And some started turning on each other.

Which is how Hunterbrook ended up with Phil Mickelson's DMs.

THE CAPITAL CRUNCH

On the call, Flores appeared to outline over \$2 billion Sable would need to execute its Plan B.

The money would fund: \$900 million to buy out Exxon, \$500 million for a vessel, \$300 million for operations through early 2027 and \$500 million in bonding (A

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“There’s a lot of money up there that’s being reprioritized toward hydrocarbon projects and away from the green like the solar panels,” Flores said of Trump administration energy programs.

Flores claimed — without substantiation — that Sable could employ a permit “still active” from the Exxon era. He said he expected regulatory clearance “before Thanksgiving” along with “an announcement out of one of the federal agencies on loan sponsorship,” though he also expressed concerns regarding whether this would be possible during a government shutdown.

The equity discussion began when an investor on the October call noted what Flores hadn’t focused on in his \$2 billion financing overview: “I didn’t hear any equity in that scenario, and all I hear from people who are dumping the stock, shorting the stock, is equity is sorely needed here.”

Flores appeared to confirm the need: “We’re supposed to be on production in September, right? We’re not gonna be on production in September, so we’re gonna have to bridge a little to the financing. We’ll need some type of injection somewhere in the \$100 to \$150 to \$200 million dollar range.”

The admission was notable because Sable hadn’t publicly disclosed plans for an imminent equity raise. And the timing was delicate: With the stock price depressed, selling new shares in a fundraiser would heavily dilute existing shareholders — including Flores and other insiders.

Investors on the call pressed the point. “If the bridge or the patch is gonna be in a form of equity, the lower the stock price goes, the more dilutive it’s gonna be to the largest shareholders, i.e., you guys, the insiders,” one said.

Another asked directly whether Flores could do anything to boost the stock price before the raise — prompting Flores’ pledge to do “everything we can.”

Asked about timing, Flores suggested the equity raise would come “in the fourth quarter”— potentially within weeks of the late October call, before any promised federal approvals had materialized.

A person Flores introduces as “Greg” – likely Sable’s chief financial officer, Gregory Patrinely – tried to provide reassurance, noting the company has “\$250 million unsecured investments” under its Exxon loan that could be tapped instead of selling equity. But he acknowledged a catch: Using that money requires Exxon’s consent, which is “in their sole discretion.”

Flores suggested the company is also working to add language to a federal spending bill blocking “any kind of legal or judicial or regulatory challenge” to the project.

When asked why Sable would even consider returning to California given the state’s opposition, Flores was blunt: “I’d much rather be offshore, but if they force me onshore... I’m gonna take it.”

Despite over a year of missed deadlines, Flores laid out another timeline on the call: close on the vessel by January, shipyard work through July, mobilization in August and September, production in the fourth quarter of 2026. “I’d be highly confident in a one-year span of getting on production,” he said.

In the meantime, Flores said he might seek an extension from Exxon as a contingency.

When asked why Exxon would agree, Flores relayed their supposed position: “They would not do what we’ve done. They’re not adept to operate in California because California moves the goalposts so bad, they cheat so bad.” He compared Exxon to “the red coats in the Revolutionary War — they march out with their coats on. We’ll follow the rules and the rules keep changing, and we’re more adaptable.”

An investor cut through the diplomacy: “ExxonMobil said fuck those Californians. I’d

THE 'AI GENERATED' EXCUSE – AND THE GROUP CHAT APPARENTLY TRYING TO TROLL HUNTERBROOK WHILE WE WATCHED

When an excerpt of Sable's investor call leaked online from an anonymous X account on Wednesday, Sable moved to discredit the clip.

According to screenshots reviewed by Hunterbrook, the company told a member of Mickelson's investor group chat to spread the word that the recording was "AI generated," as well as urging investors to proactively counter the narrative of an anticipated Bloomberg News article on the recording.

Within hours of the leak, Mickelson took to X to insist he knew Flores' voice and shot back at the anonymous poster: "That is definitely not him." Internally, the group chat seemed to be split on whether the recording was genuine.

In a statement to Hunterbrook, Sable claimed that "based upon information provided to us we believe that the alleged recording was either AI generated or otherwise altered."

The company did not respond to follow up questions regarding what information had been provided to it that led it to that belief, or what portions of the recording it believed had been altered.

At Hunterbrook's request, a leading AI detection company ran the recording through their platform and concluded that it is likely not to be manipulated using generative artificial intelligence in any way. Hunterbrook also asked a senior AI engineer at a top research lab to analyze the recording; he also confirmed that it was highly unlikely to be AI generated or altered. The recording provided to Hunterbrook includes the short excerpt that was posted on X, though the version on X sounds distorted.

A wide variety of factors supported the verisimilitude of the more than 25 minute

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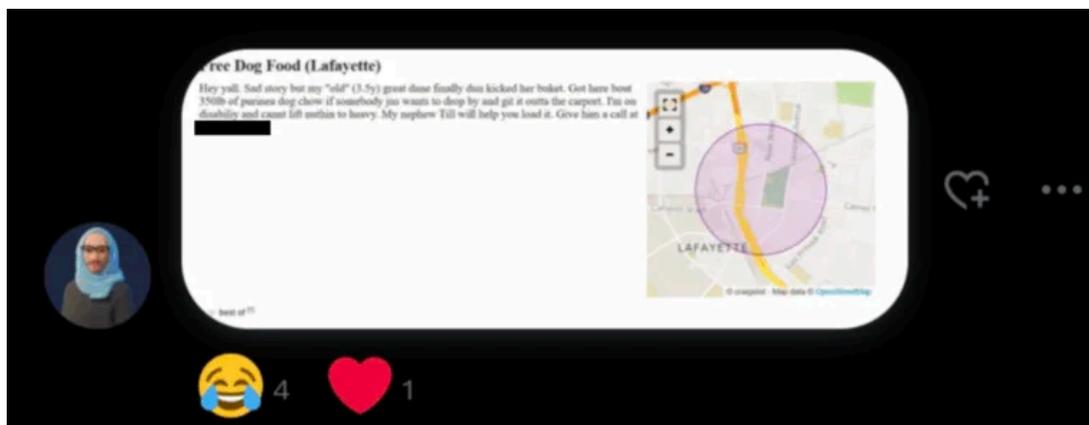
Asked whether telling investors an audio recording is AI — when, in fact, it is real — could cause any legal issues for Sable, Badawi said he “would expect that to be a problem when you try to defend yourself against a Reg FD claim.”

“If you said you didn’t do it and were blatantly lying, that would not help your Reg FD case,” Badawi added.

On the eve of publication, Hunterbrook called Mickelson, after he did not respond to a written request for comment sent to his representatives. He picked up, and upon hearing the reporter was calling from Hunterbrook, hung up promptly.

Instead, Mickelson took to the group chat — sharing the (incorrectly spelled) name of one of Hunterbrook’s reporters who reached out.

Mickelson shared the phone number of a different Hunterbrook reporter with the chat, prompting another member to seemingly attempt to dox Hunterbrook’s publisher using a Craigslist page including the phone number with an offer of “free dog food.” (Kind of funny.)



A screenshot from the investor group chat showing a Craigslist ad for “free dog food” that lists the phone number of Hunterbrook’s publisher (redacted by Hunterbrook) and refers to one of its reporters.

Others were in less of a joking mood. “Did we get subpoenaed?” asked one

AUTHORS

Sam Koppelman is a New York Times best-selling author who has written books with former United States Attorney General Eric Holder and former United States Acting Solicitor General Neal Katyal. Sam has published in the New York Times, Washington Post, Boston Globe, Time Magazine, and other outlets. He has a BA in Government from Harvard, where he was named a John Harvard Scholar and wrote op-eds like “Shut Down Harvard Football,” which he tells us were great for his social life. Sam is based in New York.

Till Daldrup joined Hunterbrook from The Wall Street Journal, where he focused on open-source investigations and content verification. In 2023, he was part of a team of reporters who won a Gerald Loeb Award for an investigation that revealed how Russia is stealing grain from occupied parts of Ukraine. He has an M.A. in Journalism from New York University and a B.S. in Social Sciences from University of Cologne. He’s also an alum of the Cologne School of Journalism (Kölner Journalistenschule). Till is based in New York.

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Dhruv Patel, Matthew Termine, and Gabi Josefson also contributed reporting.

This investigation underwent dedicated fact-checking by two fact-checkers, as well as review by multiple Hunterbrook attorneys.

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Attachment C

BREAKING: SABLE IS RUNNING OUT OF MONEY



Illustration by Daniel DeLorenzo

NOV 14, 2025 12:10 PM EST

BY: [Sam Koppelman](#) [Blake Spendley](#) [Till Daldrup](#)

EDITOR: [Wendy Nardi](#)

UPDATED: NOV 14, 2025 5:08 PM EST

- New [SEC filing](#) reveals Exxon spinoff Sable Offshore (\$SOC) entered October about a month from potential bankruptcy. The company had \$41.6 million as of September 30, with \$39.7 million in average monthly burn in 3Q25. Sable also disclosed a range of new liabilities, including additional payments to Exxon beyond debt.
- When Sable [announced](#) its \$250 million financing on November 10 at \$5.50 per share, the company likely had single digit millions in the bank based on its reported burn, against over \$163 million in accounts payable and accrued liabilities. Sable does not generate any revenue.
- This means Sable needs to raise significantly more money: According to [leaked audio](#) of Sable's CEO briefing select investors, the company will require \$2.3 billion to achieve commercial production of oil and gas from its three platforms off the coast of Santa Barbara.
- That includes at least \$900 million to buy out Exxon, to which Sable must pay 15% interest on debt due by March 31, 2027. By then, the loan would be about \$1.1 billion, accruing \$200 million in added debt.

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Based on Hunterbrook Media's reporting, Hunterbrook Capital is short \$SOC at the time of publication. Positions may change at any time. See full disclosures below.

READ: Hunterbrook's bombshell Sable [investigation](#) from October 31st.

UPDATE (11/14/25, 5:08 pm): The article now reflects a statement issued by Sable in response to Hunterbrook's publication.

Sable was running out of money.

But that didn't stop the Exxon spinoff from flying its private jet to the home of the CEO's alma mater just in time for a big college football game.

On September 13, the company had only weeks of cash remaining, according to its most recent SEC [filing](#). That afternoon, the private jet took off from Sable's base in Houston, Texas, and landed in Baton Rouge, Louisiana, at 5:22 PM CST. The LSU game kickoff was scheduled for 6:30 PM.

At about 9:45 p.m., the Citation flew back to Houston, where Sable's CEO Jim Flores lives.

Sable [purchased](#) the Cessna Citation Latitude in 2024 from Sable Aviation, an entity belonging to Flores, a [graduate](#) of Louisiana State University who [endowed](#) the school's MBA program.

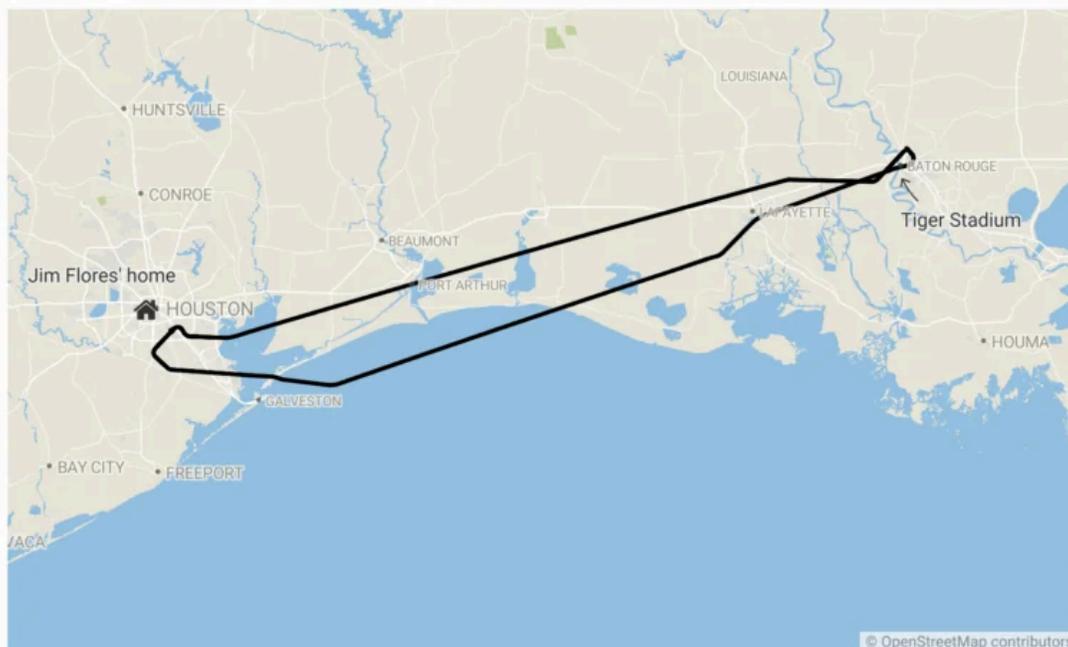
Instead of cash, Flores [received](#) 600,000 shares of \$SOC — worth \$15.2 million at around \$25 per share — in exchange for the “transportation assets and related equipment.”

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N816JC, Sable's private jet. Source: [jetphotos](#)

Sable Offshore's Private Jet Flights, 9/13



Created with Datawrapper

Sable's private jet flights on September 13. Source: [ADS-B Exchange](#)

Asked whether Sable or Flores paid for the flight to Baton Rouge, the company did not reply to Hunterbrook. While Sable “owns and operates” the jet, it does [permit](#) the CEO access “for personal reasons.”

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Sable's latest [10-Q filing](#) reveals the company had \$41.6 million in cash on September 30 against \$39.7 million in monthly burn, barely a month of runway around the time of that flight to Baton Rouge. By the time Sable closed its \$250 million financing on November 12, the company likely had only single-digit millions remaining. Without the raise, Sable may not have survived November.

But the new money only buys time, and not much of it. At Sable's current reduced \$25 million monthly burn, the \$250 million raise provides roughly 10 months of runway. And it's unclear whether the \$25 million number includes the mounting pile of liabilities Sable disclosed in its recent 10Q, obligations that will burn through cash.

NOTE: After publication, Sable Offshore halted trading of \$SOC and released a statement addressing certain facts reported in this article. Sable also stated that it "believes it has the liquidity required to pursue its objectives, including a comprehensive debt refinancing in the first quarter of 2026." Read the full [statement](#) here.

Payments To Exxon:

Under an October 14 agreement disclosed November 13, Sable must pay Exxon \$4 million per month until Exxon transfers its operating permit to Sable. The agreement is effective as of June 1, apparently meaning Sable already owes Exxon \$24 million for June through November.

And that permit transfer just became far less likely. On November 4, Santa Barbara County's Board of Supervisors voted 4-1 against allowing Exxon to transfer the critical pipeline permit to Sable. A prior supporter of the project changed his vote, citing Hunterbrook's [October 31](#) investigation.

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“The final straw for me was a Hunterbrook article, which was as disturbing as anything I’ve read,” said Supervisor Steve Lavagnino, citing Hunterbrook’s investigation into the company’s selective disclosures to certain investors. “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.”

“Sable’s management actions have reeked of desperation, and with desperation comes poor decisionmaking,” said Lavagnino. “There is something wrong with the strategy of Sable’s leadership.”

Without the permit transfer, Sable keeps paying Exxon \$4 million per month indefinitely: \$48 million per year bleeding from an already cash-strapped company. Sable must also fund Exxon’s litigation expenses as the oil giant fights Santa Barbara County in court.

On October 14, 2025, the Company entered into a Letter Agreement Regarding Restart Production (the “*Letter Agreement*”) and the County of Santa Barbara’s Field Development Plan, with an effective date of June 1, 2025, whereby the Company agreed to provide EM additional consideration for lack of operatorship transfer. The Company will reimburse EM for costs associated with the *Sable Offshore et al. v. County of Santa Barbara et al.* litigation regarding operator permit transfer, and will compensate EM \$4.0 million per month during the term of the agreement for operator related services. The term concludes at the earlier of (i) the completion of the transfer of operator or (ii) termination of the agreement by EM. Refer to *Note 8 — Commitments and Contingencies* for details regarding this County Permit Transfer Matter.

Bonding:

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three days prior to the Senior Secured Term Loan maturity (see further discussion of maturity date and Second Debt Amendment at *Note 6 — Debt*). In accordance with the Sable-EM Purchase Agreement, EM has the ability to request a performance bond increase to \$500.0 million in favor of EM.

In its statement after publication, Sable clarified that it had disclosed the existence of this bond: Regarding Hunterbrook's statement that '[t]he Exxon arrangement includes another new disclosure: Sable must now post a \$350 million bond...' This is incorrect. The report quotes a section from Sable's recently filed Q3 10-Q where the Company disclosed **an extension** to its bonding obligation for its plugging and abandonment obligations to ExxonMobil following the cessation of production from the Company's Santa Ynez Unit. The extension is detailed in Sable's Fifth Amendment to its Purchase and Sale Agreement ("PSA") with Exxon Mobil Corporation ("Exxon"). The \$350 million bonding obligation (referred to in the PSA as the *P&A Financial Security*) is an obligation that arises from the original PSA with Exxon Mobil dated November 1, 2022 as first disclosed by Sable on its Form 8-K dated February 14, 2024 (and which was previously disclosed by its predecessor on November 10, 2022) and in multiple filings since, including the Company's 2024 Annual Report filed on March 17, 2025. The bonding relates to Sable's obligation to plug and abandon wells at the end of the Santa Ynez Unit's end of life. The PSA originally required Sable to post the PSA bond 150 days following the resumption of production from the wells on the SYU Unit (which resumed production on May 15, 2025). In the 5th Amendment to the PSA, dated effective October 14, 2025, the P&A Financial Security obligation was extended from effectively October 2025 to a date that is three business days following the ExxonMobil Senior Secured Term Loan Maturity Date, which, following the extension of same, will be the earlier of March 31, 2027 or 90 days after first sales of Hydrocarbons (as defined in the Senior Secured Term Loan). As noted, under certain circumstances after the bonding is in place ExxonMobil has the ability to seek an increase in the bonding amount to \$500 million."

CalGEM:

Exxon isn't Sable's only counterparty tightening the screws. The 10-Q revealed that in May, California's Division of Oil, Gas, and Geothermal Resources now required the company to post a \$31.9 million bond, and might impose civil penalties of \$50,000

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CalGem

On May 9, 2025, the California Department of Conservation's Geologic Energy Management Division ("CalGEM") issued a letter to the Company asserting that the Company must post a bond of approximately \$31.9 million, submit certain oil spill contingency response and management plans for CalGEM's review, and indicating that the failure to timely respond could result in civil penalties of up to \$50,000 per day/per violation. Sable disputes that CalGEM possesses jurisdiction to impose those requirements.

CCC:

Then there's the [\\$18 million fine](#) Sable owes the California Coastal Commission for violating state orders to stop work on its pipeline. The company "does not believe this penalty is lawful," according to the 10-Q, and has refused to pay. The debate is playing out in the courts, where Sable has repeatedly faced setbacks against the CCC.

On April 10, 2025, the Coastal Commission approved Cease and Desist Order CCC-25-CD-01, Restoration Order CCC-25-RO-01, and Administrative Penalty Order CCC-25-AP3-01, whereby the Coastal Commission ordered the Company to cease and desist from all ongoing development in the Coastal Zone "as part of the effort to restart the Santa Ynez Unit oil production operations and bring the pipelines back into use," apply for new Coastal Act authorization for all previously completed, ongoing, and future development in the Coastal Zone to the extent "part of the effort to restart the Santa Ynez Unit oil production operations and bring the pipelines back into use," and imposed an administrative penalty of approximately [\\$18.0 million](#) on the Company. The Company does not believe this penalty is lawful and has not recognized any accrued expense for the three and nine months ended September 30, 2025 (Successor). Sable is prepared to vigorously pursue all available legal remedies related to the orders, including the administrative penalty, imposed by the Coastal Commission.

Billions Needed:

All together, this indicates Sable faces significant disclosed liabilities beyond its \$163 million in accounts payable and accrued liabilities and its over \$900 million owed to Exxon, debt accruing 15% interest and due March 31, 2027. By that deadline, Sable will owe Exxon about \$1.1 billion.

This is all before Sable spends a dollar on its actual business: restarting oil and gas production.

That restart is the reason Sable exists — and according to the leaked audio Hunterbrook obtained of CEO Jim Flores briefing select investors in October, it could be expensive: Achieving commercial production may cost \$2.3 billion.

Sable needs to move fast. A Floating Production Storage and Offloading vessel alone costs approximately \$450 million, and Sable would need to purchase or lease one soon to have any hope of meeting its end-of-2026 production target, itself an

Hunterbrook that it “continues to work closely with Sable on next steps” for its offshore project. The U.S. Coast Guard, which would need to approve Sable’s plans as well, did not respond to a request for comment.

Sable indicated it may also pursue federal financing.

A former Department of Energy official familiar with the loan process told Hunterbrook that’s unlikely. They also noted the federal loan would likely need to be senior secured and could not be used to pay other lenders like Exxon.

“It doesn’t sound like the kind of thing the office would go for. I don’t see why they would do it,” they told Hunterbrook. “What’s the possible policy goal associated with it? Exxon takes over the asset, it’ll still exist as an asset, it’ll flow if it flows. From a policy standpoint, taking out Exxon’s debt doesn’t help anyone.”

In response to a [Washington Post article](#) on the Trump administration’s plans to open federal waters to drilling, Gov. Gavin Newsom’s office [posted](#), “This plan is dead on arrival.”

The Santa Barbara County Air Pollution Control District told Hunterbrook it “does not have a permit application or know any details about Sable’s proposed Offshore Storage and Treatment (OS&T) project beyond what’s been shared in news articles.” Sable appears to need APCD air permit approval for its offshore project.

In the meantime, at least one of Sable’s biggest investors may be losing faith in the project.

Pilgrim Jumping Ship?

Hedge fund Pilgrim Global once [owned](#) \$350 million of Sable — and [registered](#) with the SEC as owning over 10% of the company as its largest outside investor.

That registration also meant Pilgrim needed to publicly disclose every time it bought

Then, around the end of trading on November 6, came an [exceptionally unusual event](#).

Pilgrim filed amendments claiming it was *never actually meant to register as a 10% holder at all*. The apparent rationale: Pilgrim said it could use an exemption because it isn't the beneficial owner of the shares.

Pilgrim said its previous SEC filings “should not have been filed” — a striking statement given Sable represented 47% of all Pilgrim's reported investments in U.S. equities. Pilgrim has also been [involved](#) with Sable since before the company went public through a Special Purpose Acquisition Company, or SPAC.

These forms have significant implications: Pilgrim now claims it is exempt from rules that would otherwise require it to disclose whenever it traded \$SOC.

“The requirements are really for transparency purposes. Who's buying? Who's selling?” explained Tracy Davis, a securities attorney who worked in SEC enforcement.

“Maybe they sold knowing they were going to file and wanted to dump their shares before that became known,” Davis theorized. “It could be because you looked into them and they needed to clean up the filings. It could be they hired someone new who said: why are you all even filing these if you're not required to?”

A former Sable investor put it more bluntly, calling Pilgrim's SEC filing “the weirdest Form 4 I've ever seen.”

“I don't even know what to make of that at all, except for I don't think they file something like that if they're still holding all the stock,” he added.

At its peak, Pilgrim's stake was worth about \$350 million, when Sable briefly traded as high as [\\$35 per share](#). Today, if Pilgrim still owned that position, it'd be worth less

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How rare are Pilgrim's amended filings?

In the past decade, Hunterbrook was able to find only a handful of other investors who sought to retroactively void their status as registered major holders.

“Did they suddenly finally find religion? Is this a legal position they're suddenly starting to take?” asked Ele Klein, a partner at McDermott Will & Schulte LLP — one of the top firms [representing hedge funds](#) — where he is the global head of shareholder activism and a member of the firm's management committee.

Explanation of Responses:

Remarks:

On March 22, 2024, Pilgrim Global Advisors LLC (the "Adviser") and Pilgrim Global ICAV (the "Fund") and, together with the Adviser, the "Pilgrim Entities") filed a Form 3 that should not have been filed because neither of the Pilgrim Entities is the beneficial owner of any Common Shares (the "Shares") of Sable Offshore Corp. ("Sable") for purposes of Section 16 by virtue of Rule 16a-1(a)(1)(v) and Rule 16a-1(a)(1)(x). This filing amends and revokes the Form 3 filed by the Pilgrim Entities.

The Adviser, which is registered as an investment adviser under Section 203 of the Investment Advisers Act of 1940, does not have beneficial ownership of any Shares pursuant to Rule 16a-1(a)(1)(v). The Fund, which is registered as an Irish Collective Asset-Management Vehicle in Ireland with the Central Bank pursuant to Part 9 of the Irish Collective Asset-Management Vehicles Act, and which is the functional equivalent of an investment company registered under section 8 of the Investment Company Act of 1940, does not have beneficial ownership of Shares pursuant to Rule 16a-1(a)(1)(x). Additionally, the Fund has delegated all investment and voting authority to the Adviser and such delegation can only be terminated on six months' notice. The Adviser and the Fund did not acquire any Shares with the purpose or effect of changing or influencing control of Sable or engaging in any arrangement subject to Rule 13d-3(b). Any Shares held by the Pilgrim Entities are held for the benefit of third-party investors. Therefore, neither of the Pilgrim Entities are the beneficial owners of any Shares for purposes of Section 16, and neither of them are subject to the reporting requirements of Section 16(a) or the matching provisions of Section 16(b). No securities are beneficially owned.

Pilgrim's new filings claim that prior forms should not have been filed and that Pilgrim is not subject to reporting requirements.

Source: [SEC Form 3 filed 11/6/25](#)

Klein speculated that Pilgrim may “want to sell, but they think drawing attention to the sales is a lot worse than drawing attention to the filing.”

For investors deciding whether Sable will survive, knowing what the company's largest outside investor is doing could be crucial information.

Instead, regular investors are flying blind.

Pilgrim repeatedly declined to comment on how the errors happened, why they only just discovered its mistakes, and whether Pilgrim has been trading \$SOC while other

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	12:00 PM – 1:14 PM United · Operated by SkyWest DBA United Express IAH-BTR	1 hr 14 min	Nonstop	174 kg CO2e +112% emissions	0 0 \$204
	2:16 PM – 3:22 PM United · Operated by SkyWest DBA United Express IAH-BTR	1 hr 6 min	Nonstop	174 kg CO2e +112% emissions	0 0 \$204
	4:20 PM – 5:28 PM United · Operated by Commuteair DBA United Exp... IAH-BTR	1 hr 8 min	Nonstop	120 kg CO2e +46% emissions	0 0 \$204
	6:20 PM – 7:28 PM United · Operated by Commuteair DBA United Exp... IAH-BTR	1 hr 8 min	Nonstop	120 kg CO2e +46% emissions	0 0 \$204

AUTHORS

Sam Koppelman is a New York Times best-selling author who has written books with former United States Attorney General Eric Holder and former United States Acting Solicitor General Neal Katyal. Sam has published in the New York Times, Washington Post, Boston Globe, Time Magazine, and other outlets – and occasionally volunteers on a fire speech for a good cause. He has a BA in Government from Harvard, where he was named a John Harvard Scholar (taking much easier classes than Dhruv!) and wrote op-eds like “Shut Down Harvard Football,” which he tells us were great for his social life. Sam is based in New York.

Blake Spendley joined Hunterbrook from the Center for Naval Analyses (CNA), where he led investigations as a Research Specialist for the Marine Corps and US Navy. He built and owns the leading open-source intelligence (OSINT) account on X/Twitter, called @OSINTTechnical (over 1 million followers), which also distributes Hunterbrook Media reporting. His OSINT research has been published in Bloomberg, the Wall Street Journal, and The Economist, among other top business outlets. He has a BA in Political Science from USC.

Till Daldrup joined Hunterbrook from The Wall Street Journal, where he focused on open-source investigations and content verification. In 2023, he was part of a team of reporters who won a Gerald Loeb Award for an investigation that revealed how Russia is stealing grain

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Wendy Nardi joined Hunterbrook after working as a developmental and copy editor for academic publishers, government agencies, Fortune 500 companies, and international scholars. She has been a researcher and writer for documentary series and a regular contributor to The Boston Globe. Her other publications range from magazine features to fiction in literary journals. She has an MA in Philosophy from Columbia University and a BA in English from the University of Virginia.

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Attachment D



October 22, 2025

Lisa Plowman, Director
County of Santa Barbara Planning and Development Department
123 E. Anapamu Street
Santa Barbara, CA 93101
Via Email: lplowman@countyofsb.org

Re: The County Must Enforce Chapter 25B and Immediately Halt Sable's Unpermitted Activities Related to the SYU, POPCO, and Las Flores Pipeline System

Dear Director Plowman:

On behalf of Get Oil Out! (GOO!), Santa Barbara County Action Network (SBCAN), the Sierra Club, by and through the Santa Barbara-Ventura Chapter ("Sierra Club"), Santa Barbara Channelkeeper (SBCK), and the Environmental Defense Center (EDC),¹ we write to request that the Planning and Development Department ("P&D") direct Sable Offshore Corporation and Pacific Pipeline Company (collectively, "Sable") to immediately cease any and all activities and operations related to ExxonMobil Corporation's ("Exxon") Final Development Plan Permits (collectively, "FDPs" or "Permits") for the respective Santa Ynez Unit (SYU), Pacific Offshore Pipeline Company Gas Plant (POPCO), and Las Flores Pipeline System ("Pipeline") (collectively, "Facilities"). The Santa Barbara County Board of Supervisors (the "Board") has not yet acted on Sable's applications for Change in Owner, Operator, and Guarantor for the

¹ GOO! was formed in the wake of the 1969 Santa Barbara Oil Spill and continues to work to protect California from further oil and gas development and exploitation. SBCAN is a countywide grassroots organization that works to promote social and economic justice, to preserve our environmental and agricultural resources, and to create sustainable communities. The Santa Barbara-Ventura Chapter of the Sierra Club serves Santa Barbara and Ventura counties and is dedicated to protecting the wild places of the earth; practicing and promoting the responsible use of the earth's ecosystems and resources; educating and enlisting humanity to protect and restore the quality of the natural and human environment; and using all lawful means to carry out these objectives. Santa Barbara Channelkeeper's mission is to protect and enhance the water quality of the Santa Barbara Channel and its tributaries through science based advocacy, field work, and enforcement of environmental laws. EDC is a nonprofit public interest law firm that defends nature and advances environmental justice on California's Central Coast through advocacy and legal action.

Permits and therefore Sable does not have the required County entitlements to conduct any activities related to these Facilities.

Chapter 25B expressly prohibits the transfer of County permits for certain oil and gas facilities *unless the transfer complies with the requirements of the Chapter*. Santa Barbara County, Code of Ordinances, Chapter 25B-3;² 25B-4(c) (hereinafter, "Chapter 25B" or "25B"). If P&D allows Sable to continue to operate without the Permits, it would improperly allow Sable to circumvent the Board's authority, obviate the County's own ordinance (Chapter 25B), and undermine the recent court orders requiring the Board to make the permit transfer decision and rejecting P&D's February 12 letter purporting to authorize Sable's anomaly repair work. Therefore, EDC strongly requests that P&D direct Sable to cease all activities permitted by the FDPs at the Facilities until the Board determines whether to transfer the Permits from Exxon to Sable.

I. The County Has Not Provided Any Documentation to Demonstrate That Sable Has the Authority to Conduct Its Activities at the Facilities.

As you are aware, the subject of the upcoming hearing before the Board on November 4 is whether the Board should grant de novo approval to transfer the Permits from Exxon to Sable. If so approved, Sable would then be designated as the new owner, operator, and guarantor of these Facilities on the FDPs. The Board must make several findings to approve the transfer, and among other things, determine whether Sable would be a responsible operator that has the skills, training, and resources necessary to safely manage the Facilities. Chapter 25B-10(a)(9). The Board is required to review the facts de novo and determine whether the findings can be made to approve the requested transfers. Chapter 25B-12(b)(4). However, based on Sable's investor presentations,³ financial disclosures,⁴ and EDC's correspondence with P&D staff,⁵ our understanding is that Sable has circumvented the Board's authority by resuming operations without the requisite approval by County decision-makers.

EDC and others⁶ have reached out to P&D to try and understand what authority, if any, Sable has to conduct these activities. Based on information and belief, it is our understanding that no such authority exists, and Sable's activities are unpermitted.

² Chapter 25B defines "[p]ending owner or operator" to "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." Chapter 25B-3 (emphasis added).

³ Sable Offshore Corp., *Investor Presentation*, p. 3, 4 (September 29, 2025) (stating "Sable restarted production at SYU platform Harmony on May 2025 and began flowing production to Las Flores Canyon"), available at <https://sableoffshore.com/events-and-presentations/default.aspx>

⁴ Sable Offshore Corp., *Securities and Exchange Commission Form 10-Q*, p. 8 (August 12, 2025), available at: <https://www.sec.gov/ix?doc=/Archives/edgar/data/0001831481/000183148125000064/socc-20250630.htm>

⁵ See E-correspondence from Linda Krop, EDC, to Jennifer Richardson, Santa Barbara County (Sept. 17, 2025, to Oct. 10, 2025). See Attachment A.

⁶ See E-correspondence from Graham Wark, One Fin Capital Management LP, to Errin Briggs, Santa Babara County (Oct. 8, 2025). See Attachment B.

On or about September 17, 2025, EDC contacted Santa Barbara County Counsel via telephone to inquire as to any authority that would permit Sable to conduct activities at the Facilities.⁷ Jennifer Richardson responded on September 17, 2025, and directed EDC to a February 12th letter from Santa Barbara County to Sable regarding pipeline anomaly repair work.⁸ However, not only were the County's conclusions in the letter rejected by both the Coastal Commission⁹ and a state judge,¹⁰ the letter also fails to address the fact that only Exxon—not Sable—is listed on the Permits.¹¹ In fact, Judge Anderle rejected the statements and conclusions in the County's February 12 Letter, as discussed in greater detail below.¹²

EDC followed up with Ms. Richardson on October 7, 2025, requesting any documentation showing that *Sable* is authorized to conduct activities at the onshore facilities.¹³ The County directed EDC to *Exxon's* FDPs, which predate the sale of the Facilities to Sable, have not been transferred to Sable, and are central to the Board's decision at the November 4 hearing pursuant to Chapter 25B.¹⁴ Additionally, EDC was informed that the County had provided all the responsive documents they have relating to its request.¹⁵

Given that P&D has been unable to provide any documentation authorizing Sable's activities, EDC is left to conclude that no such authority exists. If P&D allows Sable to continue to do so it would not only be an overreach of P&D's authority, it would also be entirely inconsistent with the purpose and requirements of Chapter 25B and directly undermine the September 12, 2025, peremptory writ of mandate issued by Judge Gee directing the Board to approve or deny the permit transfer to Sable, in compliance with Chapter 25B.¹⁶

II. Sable is Conducting Unpermitted Activities Related to the Facilities in Violation of Chapter 25B.

Chapter 25B regulates the transfer of oil and gas permits in Santa Barbara County. It is explicitly intended to “protect public health and safety, and safeguard the natural resources and

⁷ Voice Message from Linda Krop, EDC, to Jennifer Richardson, Santa Barbara County (Sept. 2025).

⁸ See E-correspondence from Linda Krop, *supra* note 5; See Letter from Errin Briggs to Steve Rusch, p. 1 (Feb. 12, 2025) (hereinafter “February 12 Letter”). See Attachment C.

⁹ Letter from Kate Hucklebridge, California Coastal Commission, to Steve Rusch, Sable Offshore Corporation, p. 2 (Feb. 16, 2025). See Attachment D.

¹⁰ *Tentative Ruling* regarding Petition of Petitioners Sable Offshore Corp. and Pacific Pipeline Co. for Writ of Mandate, Santa Barbara County Superior Court Case No. 25CV 00974 (October 14, 2025), adopted by the Court on October 15, 2025. See Attachment E.

¹¹ See Letter from Errin Briggs to Steve Rusch, *supra* note 8, p. 1.

¹² *Tentative Ruling*, *supra* note 10. See Attachment E.

¹³ E-correspondence from Linda Krop, *supra* note 5.

¹⁴ Santa Barbara County Conditions of Approval, ExxonMobil Santa Ynez Unit Expansion Project, 87-DP-32cz (2003); Conditions of Approval, POPCO Gas Plant Expansion, 93-FDP-015, 74-CP-11(RV1), 93-DPF-015(RV01), & 93-FDP-015(RV02) (2002); Final Development Plan Conditions, Las Flores Pipeline System, 88-DPF-033 (RV01)z, 88-CP-60 (RV01)(88-DPF-25cz; 85-DP-66cz; 83-DP-25cz).

¹⁵ E-correspondence from Linda Krop, *supra* note 5.

¹⁶ Order re Cross-Motions for Summary Judgment (United States District Court Case No. CV 25-4165-DMG (AGRx) Sept. 12, 2025) at p. 25. See Attachment F.

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.” Chapter 25B-1. In furtherance of this purpose, Chapter 25B establishes a series of requirements, including limitations on how permits may be transferred from one owner, operator, and guarantor to another. Chapter 25B-4(c).

Per Chapter 25B, any owner, operator, or guarantor must be listed on the applicable facility permit. Chapter 25B-4(a). Furthermore, the ordinance provides that “any permit issued or authorized . . . 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*.” Chapter 25B-4(c) (emphasis added).

Sable submitted to the requirements of Chapter 25B by applying to the County for a transfer of Exxon's FDPs for the respective Facilities. Exxon's FDPs are not transferrable to Sable except in accordance with Chapter 25B. Since no decision has been made, Exxon (not Sable) is identified on the Permits, must comply with all conditions of such Permits, and is responsible for the proper abandonment of the Facilities. Chapter 25B-4(h), (i)(1).

Moreover, the decision concerning whether to transfer the Permits to Sable under Chapter 25B rests entirely with the Board. Chapter 25B-8(b), 25B-12(b). Any other body that attempts to transfer the permits without adhering to Chapter 25B would be acting in violation of the ordinance and the transfer would be legally ineffective. While P&D staff can make recommendations to the Board about whether they should approve or deny an application, the actual authority to transfer permits now rests with the Board—but only after they have followed the procedures and requirements established by Chapter 25B.

P&D's inaction regarding Sable's continued activities at the Facilities has impermissibly provided Sable with a backdoor to circumvent the express requirements under Chapter 25B, thereby undermining the very purpose for which the ordinance was enacted. P&D must ensure Sable halts all activities related to the Facilities immediately.

III. The County Must Abide by Recent Court Orders Affirming that Chapter 25B Governs and The Decision is Wholly Vested with the Board—Not Staff.

Recent rulings from a federal judge and a state judge further confirm that Sable does not have the authority to operate the Facilities. First, federal court judge Dolly M. Gee has interpreted the meaning and purpose of Chapter 25B in two recent court orders in *Sable Offshore Corp., et al. v. County of Santa Barbara, et al.*, both of which reinforce the fact that Sable cannot operate without a transfer of the Permits from Exxon to Sable, which is a decision vested with the Board. Second, state court judge Thomas P. Anderle emphasized in *Sable Offshore Corp. and Pacific Pipeline Co., v. California Coastal Commission* that County Staff are not a decisional body with regards to the existing Coastal Development Permits (CDPs) and found that the February 12 Letter is conclusory and unauthoritative.

A. Judge Gee Confirmed That Chapter 25B is Not a Paperwork Change and Can Bar the Transfer of Permits to Protect the Environment.

In ruling on EDC's motion to intervene in the lawsuit between Sable and the County, Judge Gee affirmed that, "as a practical matter, *Sable cannot restart oil and gas processing and transport in the facilities and pipeline without an FDP.*"¹⁷ Since the Board has not transferred the FDPs from Exxon to Sable, Sable does not have the Permits necessary to operate in accordance with the County's rules and regulations. Therefore, Sable's activities have been performed in direct violation of Chapter 25B.

Judge Gee also emphasized the importance of the process established by 25B. She wrote, "[c]hapter 25B does not merely provide for the transfer of the FDP's, *it creates an administrative process designed to bar the transfer of FDP's to a transferee that would place the environment at risk.*"¹⁸ Therefore, Sable's ongoing conduct not only openly flouts the County's authority to decide who operates oil and gas facilities within its jurisdiction, it also deprives the County of its right to review operators *before* those operators take over ownership and/or operations at these risky facilities.

B. Judge Gee Upheld the Purpose and Integrity of Chapter 25B's Prohibition on Permit Transfers Until the Decision-Maker Makes the Requisite Findings.

Even more recently, Judge Gee ruled on Sable and EDC's cross-motions for summary judgment, issued a peremptory writ of mandate, and again analyzed the requirements of Chapter 25B.¹⁹ Judge Gee made clear that the County's authority over the permit transfer process rests squarely with the Board of Supervisors. The court declared that "[c]hapter 25B governs the transfer of FDPs," confirming that all determinations regarding ownership, operation, or guarantorship of the Facilities must be made in strict compliance with that Chapter.²⁰ Judge Gee explained that "applications for change of owner, guarantor, and operator, shall be approved 'only if' [specific factual] findings are met," underscoring that approval is contingent upon the Board's independent factual determinations.²¹ The judge held that "*the Board members* must vote to 'affirm, reverse, or modify' the Planning Commission's decision – which includes upholding or denying the appeals and *making the required factual findings under Chapter 25B-8, 9, and 10.*"²² The judge then issued a writ, directing the Board to hold a hearing and determine whether Sable's applications are "in compliance" with Chapter 25B.²³ Accordingly, no other

¹⁷ Order Granting Motion to Intervene (United States District Court Case No. 25-4165-DMG (AGRx), July 25, 2025) at p. 6 (emphasis added). See Attachment G.

¹⁸ *Id.* (emphasis added).

¹⁹ Order re Cross-Motions for Summary Judgment, *supra* note 16. See Attachment F.

²⁰ *Id.* at 4.

²¹ *Id.* at 18.

²² *Id.* at 24-25 (emphasis added).

²³ Peremptory Writ of Mandate (United States District Court Case No. CV 25-4165-DMG (AGRx), Sept. 12, 2025). See Attachment H.

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body other than the Board can make the required determination regarding Sable's applications, and even the Board cannot approve the transfer of permits unless the necessary findings are satisfied.

C. Judge Anderle Rejected the February 12 Letter from P&D as Lacking in Authority and Held that the Coastal Commission's Determination was Entitled to Deference.

The County has no legal or factual basis to rely on P&D's February 12 Letter as purported authority for Sable to conduct its work at the Facilities.²⁴ In *Sable Offshore Corp. and Pacific Pipeline Co., v. California Coastal Commission*, Judge Anderle issued a tentative ruling, that he later adopted in its entirety, denying Sable's petition for a writ of mandate to set aside the Coastal Commission's orders and notices of violation based on Sable's unauthorized work pursuant to the CDPs and under the Coastal Act.²⁵ In his ruling, Judge Anderle expressly rejected the conclusion in P&D's February 12 Letter and instead agreed with the Coastal Commission that Sable's past activities were beyond the scope of the CDPs.²⁶ In reaching its decision, the Court described P&D's February 12 Letter as "conclusory . . . , reflects the position of staff rather than a decisional body of the County, and contains express qualifications as to the limitations of it as a County decision."²⁷ Thus, the February 12 Letter lacks any legal authority and Judge Anderle's determination further demonstrates that Sable lacks the authority to continue with activities at the Facilities.

IV. Conclusion

The plain language of Chapter 25B and the rulings by Judge Gee and Judge Anderle paint a clear picture—Sable cannot perform activities pursuant to the FDPs unless the Board has transferred the relevant permits from Exxon to Sable, and the Board has yet to make its decision. Therefore, Sable's activities have been and are being done without a permit and in direct violation of the County's own ordinance. Until the Board acts on whether to transfer the FDPs, we strongly request that P&D direct Sable to cease their operations immediately.

Sincerely,



Linda Krop
Chief Counsel

²⁴ See E-correspondence from Linda Krop, *supra* note 5; February 12 Letter. See Attachment C.

²⁵ *Tentative Ruling*, *supra* note 10. See Attachment E.

²⁶ *Id.* at 25.

²⁷ *Id.*

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The County Must Enforce Chapter 25B and Immediately Halt Sable's Unpermitted Activities Related to the SYU, POPCO, and Las Flores Pipeline System

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Steve Lavangino, County of Santa Barbara Board of Supervisors
Mona Miyasato, Santa Barbara County Executive Officer
Rachel Van Mullem, County Counsel for Santa Barbara County

Attachments:

- A: Email Correspondence between Linda Krop and Jennifer Richardson
- B: Email Correspondence between Graham Wark and Errin Briggs
- C: February 12 Letter from Errin Briggs to Steve Rusch
- D: Letter from Kate Hucklebridge to Steve Rusch
- E: *Tentative Ruling* regarding Petition of Petitioners Sable Offshore Corp. and Pacific Pipeline Co. for Writ of Mandate, Santa Barbara County Superior Court Case No. 25CV 00974 (October 14, 2025), affirmed by the Court on October 15, 2025
- F: Order re Cross-Motions for Summary Judgment (United States District Court Case No. CV 25-4165-DMG (AGRx) Sept. 12, 2025)
- G: Order Granting Motion to Intervene (United States District Court Case No. 25-4165-DMG (AGRx) July 25, 2025)
- H: Peremptory Writ of Mandate (United States District Court Case No. CV 25-4165-DMG (AGRx) Sept. 12, 2025)

Attachment A

From: [Jennifer Richardson](#)
To: [Linda Krop](#)
Cc: [Jeremy Frankel](#); [Tara Rengifo](#); [Briggs, Errin](#); [Plowman, Lisa](#); [Mona Miyasato](#)
Subject: RE: Sable operations
Date: Friday, October 10, 2025 10:06:35 AM
Attachments: [image002.png](#)
[image010.png](#)
[image011.png](#)
[image012.png](#)
[image013.png](#)

Linda,

As an appellant, you have received separate notice from P&D that the hearing on the change of owner, operator, and guarantor will be heard substantively by the Board on 11/4.

Jenna



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From: Linda Krop <lkrop@environmentaldefensecenter.org>
Sent: Friday, October 10, 2025 8:26 AM
To: Jennifer Richardson <jrichardson@countyofsb.org>
Cc: Jeremy Frankel <jfrankel@environmentaldefensecenter.org>; Tara Rengifo <trengifo@environmentaldefensecenter.org>; Briggs, Errin <ebriggs@countyofsb.org>; Plowman, Lisa <lplowman@countyofsb.org>; Mona Miyasato <mmiyasato@countyofsb.org>
Subject: RE: Sable operations

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.

Dear Jenna,

Thank you for your email. Errin's email from September 23 was not responsive to our inquiry regarding authorization for **Sable** to operate the onshore facilities. The permits provided by Errin were issued to ExxonMobil and predate ExxonMobil's sale to Sable. As

you know, Chapter 25B requires the County to affirmatively approve changes of owner, operator, and guarantor. As of today, that approval has not occurred. In the attached Order and Writ, Judge Gee ruled that the Board's tie vote did not constitute an approval and directed the matter to be reheard **by the Board** until a majority vote occurs.

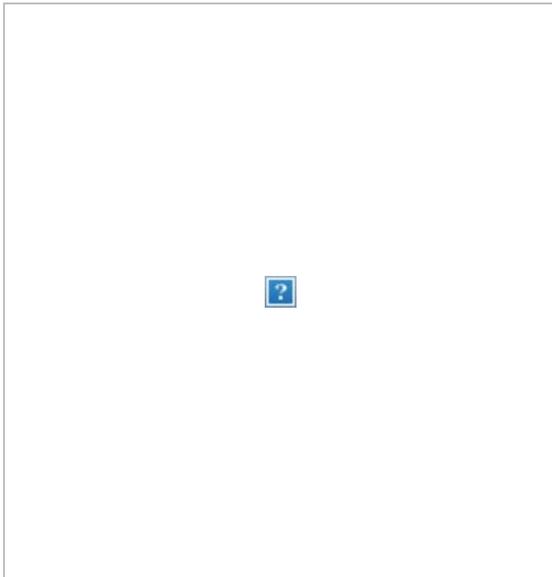
I hope you are not suggesting that the staff has decided to approve Sable's requested **change of operator** without Board approval.

We are available if you would like to schedule a phone call or meeting to discuss.

Thank you,
LK

LINDA KROP (she/her/hers)
CHIEF COUNSEL
906 Garden Street
Santa Barbara, CA 93101
805.963.1622 x 106
www.EnvironmentalDefenseCenter.org

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From: Jennifer Richardson <jrichardson@countyofsb.org>

Sent: Thursday, October 9, 2025 5:57 PM

To: Linda Krop <lkrop@environmentaldefensecenter.org>

Cc: Jeremy Frankel <jfrankel@environmentaldefensecenter.org>; Tara Rengifo

<trengifo@environmentaldefensecenter.org>; Briggs, Errin <ebriggs@countyofsb.org>

Subject: RE: Sable operations

Linda,

We provided the responsive documents we have in the attached response a couple weeks ago.

Jenna



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From: Linda Krop <lkrop@environmentaldefensecenter.org>

Sent: Tuesday, October 7, 2025 4:56 PM

To: Jennifer Richardson <jrichardson@countyofsb.org>

Cc: Jeremy Frankel <jfrankel@environmentaldefensecenter.org>; Tara Rengifo <trengifo@environmentaldefensecenter.org>

Subject: RE: Sable operations

Importance: High

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Dear Jenna,

Can you please give me a call to discuss this matter, or can you provide me with documentation showing that Sable is authorized to operate and maintain the onshore facilities (other than conducting repairs)?

Thank you,

LK

LINDA KROP (she/her/hers)

Chief Counsel

906 Garden Street

Santa Barbara, CA 93101



o: 805.963.1622, x106
www.EnvironmentalDefenseCenter.org



We recognize that EDC sits on occupied, unceded, stolen lands of the Chumash Peoples, on Shmuwich Territory, who have called this area home for time immemorial. We commit today to make space to elevate indigenous voices and support our local Chumash and indigenous communities in our work to protect our environment.

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From: Linda Krop
Sent: Wednesday, September 17, 2025 4:45 PM
To: Jennifer Richardson <jrichardson@countyofsb.org>
Cc: Jeremy Frankel <jfrankel@environmentaldefensecenter.org>; Tara Rengifo <trengifo@environmentaldefensecenter.org>
Subject: Sable operations

Hi, I found your email address! I think I found the letter you referenced (see attached). This letter refers to the anomaly repairs and does not address operations. Is there another letter that authorizes the current operations (including the use of the processing and storage facilities)?
Thank you for your assistance,
LK



LINDA KROP (she/her/hers)
Chief Counsel
906 Garden Street
Santa Barbara, CA 93101
o: 805.963.1622, x106
www.EnvironmentalDefenseCenter.org



We recognize that EDC sits on occupied, unceded, stolen lands of the Chumash Peoples, on Shmuwich Territory, who have called this area home for time immemorial. We commit today to make space to elevate indigenous voices and support our local Chumash and indigenous communities in our work to protect our environment.

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Attachment B

From: [Graham Wark](#)
To: [Briggs, Errin](#)
Subject: RE: Exxon SYU permit question
Date: Wednesday, October 8, 2025 9:20:53 AM

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Thank you for responding.

From: Briggs, Errin <ebriggs@countyofsb.org>
Sent: Wednesday, October 8, 2025 9:17 AM
To: Graham Wark <gwark@onefincapital.com>
Subject: RE: Exxon SYU permit question

**** EXTERNAL EMAIL ****

Mr. Wark,

Sable has not been granted temporary operator.



Errin Briggs
Deputy Director, Energy Minerals & Compliance
Planning & Development
County of Santa Barbara
123 E. Anapamu St.
Santa Barbara, CA 93101
805-568-2047
ebriggs@countyofsb.org
<https://www.countyofsb.org/160/Planning-Development>

From: Graham Wark <gwark@onefincapital.com>
Sent: Wednesday, October 8, 2025 8:02 AM
To: Briggs, Errin <ebriggs@countyofsb.org>
Subject: Exxon SYU permit question

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.

Hello Mr. Briggs,

For the SYU oil platforms and related facilities and infrastructure permits, which continue to be held by Exxon Mobile and its subsidiaries, I am trying to understand how Sable Offshore began production of oil and conducted repairs on the pipelines without having officially received the transfer of such permits. I see that Sec 25B-9 (f) allows for the director to approve a Temporary

Operator for a period of no longer than six months. Has Sable Offshore been approved as a Temporary Operator of the SYU and other Exxon permits and if so when did this period commence?

Thank you,
Graham Wark
One Fin Capital Management LP
One Letterman Drive, Bldg C, Suite C3-400
San Francisco, California 94129
Office: +1-415-488-8510

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Attachment C



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

24ZC1-00090 + 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).

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.

24 ZC1-00095 ; 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.

Attachment D

CALIFORNIA COASTAL COMMISSION

455 MARKET STREET
SAN FRANCISCO, CA 94105-2219
VOICE (415) 904- 5200
FAX (415) 904-5400
TDD (415) 597-5885
WWW.COASTAL.CA.GOV

**VIA CERTIFIED AND ELECTRONIC MAIL**

February 16, 2025

Steve Rusch
Sable Offshore Corporation
12000 Calle Real
Goleta, CA 93117

DJ Moore
Latham & Watkins, LLP
355 South Grand Avenue, Suite 100
Los Angeles, California 90071

Subject: Notice Prior to Issuance of Executive Director Cease and Desist Order

Location: Various locations along the existing Las Flores Pipelines CA-324 and CA-325 within the Coastal Zone, between the Gaviota coast and the Las Padres National Forest, where the parties subject to this notice are performing or intend to perform any of the activities described below, including the areas surrounding the pipelines, and other onshore areas impacted by the development activities at issue here, all within Santa Barbara County

Violation Description: Activities onshore including, but not limited to, excavation with heavy machinery, related soil movement, trimming, mowing and removal of major vegetation, grading and widening of roads, installation of metal plates over water courses, dewatering and discharge of water, installation of any safety valves, pipeline segment removal, segment replacement, and reinforcement, backfilling of soil with heavy equipment, and other potential development associated with the Las Flores Pipelines CA-324 and CA-325 as part of an effort to restart SYU oil production operations and bring the pipelines back into use.

Dear Mr. Rusch and Mr. Moore,

My staff have reviewed your February 14, 2025 letter, in which, at page 4, you cite Santa Barbara County (the "County") as concluding that "no further authorization under the Coastal Act or LCP is required for Sable to proceed" with the work you generally describe as "anomaly repair work" along Las Flores Pipelines CA-324 and CA-325 ("Pipeline"). Your letter suggests that Sable intends to proceed with this work, and we have received evidence suggesting that Sable may already be doing so, despite several conversations with Commission staff, Notice of Violation letters, and a previous Executive Director Cease and Desist Order ("EDCDO") directing Sable to seek Coastal Act authorization for the work already completed and to cease further work until it, too, is authorized by a new coastal development permit ("CDP"), as described in greater detail below. Although your letter argues that the work has been pre-authorized, based on the information we have received to date, I do not agree. Sable's letter provides a great deal of background information about pipeline safety, as well as the history of the pipeline and Sable's recent interactions with the Commission, but the only citations to any CDP language or other evidence of what any CDP may have authorized appears on pages 9 and 12-13. Those sections can generally be summarized as follows:

At page 9, you assert that County CDPs 86-CDP-189 and 86-CDP-205 authorized the activities "as approved by" the Final Development Plan (FDP) 85-DP-66cz, and that those CDPs incorporated the project description and conditions "described by the [FDP]." Even assuming that this were accurate, that would merely make the CDP authorization derivative of the FDP authorization. Nowhere in your letter do you cite to any language in the FDP indicating that it is pre-authorizing repair and maintenance work for decades into the future.

At pages 12-13, you describe certain condition language from the FDP. You state that condition J-11 acknowledges that the pipeline's right-of-way will be used for operational maintenance. However, a statement recognizing that future maintenance will occur in a particular location is different from identifying the type, nature, and effects of such work, and any mitigation required, much less pre-authorizing it. You additionally cite language stating that future permits cannot be withheld on certain bases, but that statement merely reinforces the fact that future permits were, in fact, contemplated. You also cite condition A-13, which provides a list of major changes that were designated as actions that would require further permits, but nowhere does the language state that that list was intended to be an exhaustive list, nor could it have been, since much future work was and is unpredictable. Nor do you offer any evidence or argument that the work recently undertaken and currently being undertaken or threatened does not constitute a major change. Further, you cite language indicating that the originally permitted activity would have certain permanent impacts to oak woodland habitat and that mitigation was required for such impacts, but that statement cannot be read as all inclusive of any potential, future impact, especially for unidentified future work with the unknown circumstances, scoping, and timing of that future work and its resulting impacts, nor does it even suggest an attempt to have predicted and considered all potential impacts of any future work that may be needed, including those to other types of sensitive habitats and coastal resources.

In other parts of the letter, you discuss more tangential issues, apparently suggesting that they provide more indirect evidence of the intent of the permit. However, we find those discussions similarly unavailing. For example, on page 6, you discuss the County's historical practice for approving the sort of work at issue; however, the fact that the County has allowed this work in the past does not mean that it was correct to have done so or constitute legal authority for it to do so going forward. On page 10, you assert that the Environmental Impact Report/Environmental Impact Study ("EIS/EIR") prepared by the State Lands Commission and two federal agencies assessed the impacts over the lifetime of the pipeline, including predicting work similar to that which is currently at issue. Even assuming that to be true, it is not dispositive of Coastal Act analysis or authority, and it does not indicate that the CDP that was approved by the County pre-authorized all such activities. Evidence of the scope of environmental impacts that are expected to result from work that may be required in the future to repair and maintain a structure can provide important reassurance to a permitting agency in determining whether to approve that structure in the first instance. However, while it is entirely consistent with environmental regulatory practice for a permitting agency to approve initial construction of such a structure based, in part, on such assurances, that does not in any way imply that in doing so, the agency was providing pre-authorization of future work.

Finally, much of your letter argues that the impacts of the work at issue were predicted and accepted from the inception of the project and therefore should not be of concern. Arguably, the history of this site has made it clear that the full impacts of the larger pipeline project were, in fact, not predicted when that project was initially approved, as evidenced by the 2015 pipeline failure and resulting Refugio Oil Spill, which demonstrated that the efforts to predict potential impacts, and to impose correlating mitigation requirements, failed, resulting in devastating impacts to coastal resources. Further, even if the aforementioned statement that the initial review involved predictions about impacts of future work, and acceptance of those impacts, this is a separate question from whether the work was pre-authorized. It is precisely through the permitting process that any such prediction is supposed to be evaluated and that the impacts can be mitigated so as to ensure the work is conducted in a manner consistent with the resource-protection policies of the Coastal Act and the County's Local Coastal Program ("LCP").

In sum, pre-authorization of any and all sorts of repair, maintenance, and upgrades that might be required multiple decades into the future, limited only by the list in condition A-13, would be an unprecedented and extraordinary act that would have had to be stated much more explicitly, and we have not seen any information that indicates that the work at issue has been so pre-authorized.¹ Accordingly, Sable's apparent intent to proceed

¹ We are aware that the County issued a letter on February 12, 2025, agreeing with your conclusion, but that letter provided no support for its position. Moreover, separately, in response to a request from an interested party, we are initiating a formal review of that determination under 14 Cal. Code Regs. §13569. Obviously, if that process results in Commission staff changing its position, we will adjust accordingly.

without further authorization constitutes a threatened violation of the Coastal Act and the LCP.² Therefore, the purpose of this letter is to inform you of my intention to issue a new EDCDO to Sable, as described in greater detail below, unless Sable agrees to proceed as requested.

The unpermitted development here includes activities conducted onshore including, but not limited to, excavation with heavy machinery, related soil movement, trimming, mowing and removal of vegetation, grading and widening of roads, installation of metal plates over water courses, dewatering and discharge of water, pipeline segment removal, segment replacement, and reinforcement, backfilling of soil with heavy equipment, any installation of safety valves, and other potential development associated with the Las Flores Pipelines CA-324 and CA-325.

Executive Director Cease and Desist Order

California Public Resources Code section 30809³ authorizes the Executive Director of the Commission to issue an order directing a person to cease and desist if (a) that person has undertaken, or is threatening to undertake, any activity that (1) may require a permit from the Commission without securing a permit or (2) may be inconsistent with any permit previously issued by the Commission; or (b) to enforce any requirements of a certified LCP. Each of the unpermitted activities at issue here constitutes development that required a CDP pursuant to Sections 30106 and 30600 and the County's LCP. As stated above, based on the information received to date, Commission staff does not agree that this work has been pre-authorized; therefore, the above-described development activities constitute a violation or threatened violation of the Coastal Act and LCP, and form the basis for the issuance of this EDCDO.

Section 30809(b) states that an Executive Director Cease and Desist Order can be issued:

If the person ... has failed to respond in a satisfactory manner to an oral notice given in person or by telephone, followed by a written confirmation, or a written notice given by certified mail or hand delivered to the landowner or the person performing the activity.

Section 13180(a) of the Commission's regulations (Title 14, Division 5.5 of the California Code of Regulations (CCR)) defines the term "satisfactory manner" as that term is used in Section 30809(b) as being, in part, "a response which is made in the manner and within the timeframe specified in the notice" and that satisfies the standards of 14 CCR

² Additionally, as is fully described in Commission staff's September 27, 2024, Notice of Violation ("NOV") letter, November 12, 2024 EDCDO, and February 11, 2025 NOV letter, Sable has undertaken further unpermitted development, both onshore and offshore, along the Pipeline that constitutes additional violations of the Coastal Act and the County's LCP.

³ All further section references are to the Public Resources Code, and thus, to the Coastal Act, unless otherwise indicated.

sections 13180(a)(1) or (2). The requested manner and timeframe are listed below. Therefore, to prevent the issuance to Sable of a unilateral Executive Director Cease and Desist Order, the violation of which could subject Sable to additional fines, you must provide a response that satisfies the standards of section 13180(a)(1) or (2) of the Commission's regulations and is made in the manner and timeframe listed below.

Note that if I do issue the EDCDO, Section 30809(c) authorizes me to include such terms and conditions as I deem necessary to avoid irreparable injury to any area within the Commission's jurisdiction pending further action by the Commission. While it is true that Sable stopped work in response to the prior EDCDO and implemented some measures to prevent resource damage, the recent development activities less than one day after the region's most significant rainfall event of the year and without regulatory review is likely to contribute to environmental impacts that could have been avoided, including the destabilization of rain-soaked hillsides and habitat areas, discharge of mud and debris into watercourses and wetlands, disturbance to nesting birds that could lead to nest and habitat abandonment, and declines in breeding success. These are the sorts of impacts that an EDCDO could address.

I am therefore informing you that if Sable does not immediately cease all unpermitted development activities, as described above, and comply with the requirement in the next paragraph, it may receive an Executive Director Cease and Desist Order ("EDCDO"), the violation of which may subject Sable to additional fines and penalties.

In order to avoid issuance of an EDCDO, you must confirm, in writing, by **Monday, February 17, 2025, no later than 4pm**, that Sable will cease all development of the sort described in this notice unless and until it either: (a) demonstrates, to my satisfaction and receives my written confirmation, that it already possesses the necessary Coastal Act authorization for the work, which Sable has not yet demonstrated; or (b) obtains a new, final, operative CDP or other valid Coastal Act authorization specifically covering the work at issue and complies with the terms of any final, validly issued CDPs.⁴ As we have noted in our prior letters, we are more than willing to work with you to make this process as efficient and speedy as possible, and again suggest that the option of applying for and obtaining a consolidated permit would be the most efficient means to quickly resolve the legal issues here and move forward in a collaborative manner. We note that the County remains open to this process, as clarified in their letter of this week, and hope we can use it to most quickly move forward here.

For additional information you may contact Stephanie Cook at (415) 795-9993
Stephanie.Cook@Coastal.ca.gov, or at our Headquarters Enforcement Office at:

California Coastal Commission

⁴ We offer the first option as an accommodation. As we have said numerous times, we remain willing to consider any relevant permitting information Sable provides, either at this stage (if you agree to forestall further development until such showing is made) or even after issuance of a new EDCDO.

Sable Offshore Corporation

February 16, 2025

Page 6 of 6

Attn: Stephanie Cook
455 Market Street, Suite 300
San Francisco, CA 94105

Sincerely,



Kate Hucklebridge,
Executive Director
California Coastal Commission

Cc:

Lauren Paull, Latham & Watkins, LLP
Lisa Plowman, Santa Barbara County Planning and Development Department
Errin Briggs, Santa Barbara County Planning and Development Department
Cassidy Teufel, CCC, Deputy Director
Lisa Haage, CCC, Chief of Enforcement
Aaron McLendon, CCC, Deputy Chief of Enforcement
Alex Helperin, CCC, Assistant Chief Counsel
Sarah Esmaili, CCC, Senior Staff Attorney
Stephanie Cook, CCC, Enforcement Counsel
Wesley Horn, CCC, Environmental Scientist
Jo Ginsberg, CCC, Enforcement Analyst

Attachment E



Notice: The court is aware of fraudulent messages and scams being sent to the public. For more information please click [here](#).

Sable Offshore Corp. and Pacific Pipeline Company v. California Coastal Commission

Case Number

25CV00974

Case Type

Civil Law & Motion

Hearing Date / Time

Wed, 10/15/2025 - 10:00

Nature of Proceedings

Petition of Petitioners Sable Offshore Corp. and Pacific Pipeline Co. for Writ of Mandate

Tentative Ruling

For Plaintiffs and Petitioners Sable Offshore Corp. and Pacific Pipeline Company: Jeffrey D. Dintzer, Garrett B. Stanton, Alston & Bird LLP; Trevor D. Large, Fauver, Large, Archbald & Spray LLP

For Defendant and Respondent California Coastal Commission: Rob Bonta, Norman N. Franklin, Wyatt E. Sloan-Tribe, Office of the California Attorney General

RULING

- 1. For the reasons set forth herein, the Court finds in favor of Respondent California Coastal Commission and against Petitioners Sable Offshore Corp. and Pacific Pipeline Company on Petitioners' first cause of action for issuance of a writ of mandate.**
- 2. The Court does not now address the extent to which this ruling resolves or otherwise impacts other causes of action of the FAP or of the Commission's cross-complaint, which will be addressed in subsequent proceedings.**
- 3. There is currently a motion to compel discovery now pending and set for hearing on 10/22/25 at 10 am. That matter is continued to 12/3/25, at 10 am with the final brief filed one week before the hearing.**
- 4. There is currently a CMC set for 10/31/25; that CMC is vacated. The Court sets the next CMC for 12/3/25, at 10 am. CMCS's filed one week in advance.**
- 5. There is currently a motion filed for leave to file a SAC that is set for 12/3/25 at 10am; the hearing will go forward. Briefing on the issue, if any, will be accomplished so the final brief is filed one week in advance.**

Background

This matter arises out of work done by Petitioners Sable Offshore Corp. (Sable OC) and Pacific Pipeline Company (PPC) (collectively, Sable or Petitioners) subject to the California Coastal Act of 1976 (Coastal Act, Pub. Resources Code, § 30000 et seq.). To address the issues raised in the petition, it is first useful to summarize the history of the underlying oil pipeline construction and maintenance. The summary is intended to provide sufficient background to address the issues before the Court and is not intended to be a complete recitation of the facts. Nonetheless, the Court has considered the complete record in this matter in making this ruling. Citations to the Administrative Record (AR) are in the form of "AR [page number(s)]" with leading zeros omitted.

(1) Factual Background

(A) The Oil Pipeline

PPC, a wholly-owned subsidiary of Sable OC, is the owner of the Las Flores Pipelines, which includes the pipeline segments CA-324 (Line 324) (previously known as Line 901) and CA-325 (Line 325) (previously known as Line 903) (collectively, the Las Flores Pipelines or Pipelines), portions of which are located within the coastal zone in an unincorporated area of the County of Santa Barbara (County). (First Amended Petition [FAP], ¶ 1; Answer to FAP [Answer], ¶ 1; AR 1-3.)

Line 324 is designed to transport crude oil from a pump station in Las Flores Canyon approximately 11 miles west along the coast to a pump station about a mile east of Gaviota State Park. (FAP, ¶ 26; Answer, ¶ 26; AR 3, 64.) Line 325 of the Pipelines is designed to transport crude oil from there to a location approximately 113.5 miles north, eventually reaching the Pentland Delivery Point in Kern County. (*Ibid.*)

The Pipelines were constructed in the 1980s and were referred to at the time as the “Celeron/ All American Pipeline Project.” (AR 3832.) The Final Development Plan (FDP) Conditional Use Permit (CUP), dated March 3, 1986, was issued following approval by the Santa Barbara County Planning Commission. (*Ibid.*) The project description in the CUP is:

“Celeron proposes to construct a 30-inch diameter, insulated welded steel pipeline designed to transport up to a maximum of 425,000 barrels per day (BPD) with an optimal throughput of 300,00 BPD, of Outer Continental Shelf and other locally produced crude oils. The pipeline would extend approximately 135 miles from Las Flores Canyon to the Emidio pump station in the southern San Joaquin Valley. Three pump stations would be constructed, one at Las Flores Canyon, one at Gaviota, and one near the Sisquoc River in northern Santa Barbara County. The pipeline would be buried to a minimum cover depth of three feet throughout its length according to Department of Transportation specifications, with increased cover depth in selected areas. [¶] The pipeline will require a 100-foot wide construction corridor and a 50-foot wide permanent easement. The proposed route parallels Highway 101 from Las Flores to Gaviota, turns north at Gaviota State Park west of Highway 101 and continues to the Sisquoc River. From the Sisquoc River the route follows Santa Maria then Suey Canyons north toward the Cuyama River. It crosses the river in the Western Cuyama Valley, and exits the County.” (AR 3836.)

The final environmental impact report/environmental impact statement (EIR/EIS) regarding the project includes the following statement in its abstract:

“The Celeron and All American Pipeline Companies propose to construct a 1,200-mile pipeline that would transport Outer Continental Shelf and other locally produced crude oils from the Santa Barbara and Santa Maria Basins through Emidio station, CA, to McCamey, TX. The 122-mile Celeron segment would extend from Las Flores, CA to Emidio, CA, and the 1,084-mile All American segment would extend from Emidio, CA to McCamey, TX; both would transport heated crude oil. Getty Trading and Transportation Company (Getty) proposes to construct a 113-mile buried pipeline that would transport heated crude oil from Getty’s existing marine terminal facility at Gaviota, CA, to Emidio station, CA. The Celeron/All American pipeline proposal and the Getty pipeline proposal are not dependent upon each other. Both projects could be approved or either project could be approved independently of the other.

“The Celeron/All American and Getty Pipeline Projects Environmental Impact Report/Environmental Impact Statement (EIR/EIS) addresses both applications to construct pipelines from the Santa Barbara coast to Emidio in Kern County. The EIR/EIS also addresses Celeron/All American’s application for a pipeline from Emidio to McCamey, Texas.

“The EIR/EIS analyzes the environmental effects of the proposed pipelines; pump, heating, and delivery stations; and a tank farm through construction, operation, maintenance, and abandonment. This report analyzes the impacts of the Celeron/All American and Getty Proposals and four routing alternatives that have been identified. These are the Santa Maria Canyon, Desert Plan Utility Corridor, Brenda, and McCamey to Freeport Alternatives. The Santa Maria Canyon Alternative crosses a portion of the Los Padres National Forest in Santa Barbara County; the Desert Plan Alternative is in the Mojave Desert in eastern California; the Brenda Alternative is in western Arizona near the Kofa National Wildlife Refuge; and the McCamey to Freeport Alternative. extends from West Texas to the Gulf Coast. These alternatives were identified to provide optional locations for the pipelines in sensitive areas. The No Project Alternative is also analyzed.” (AR 3191-3192.)

Two coastal development permits (CDPs) were issued for the project. CDP 86-CDP-189 was issued on July 27, 1986. (AR 3891) The CDP is for the approved project: "Clearing, grading, and trenching activities for Celeron Pipeline Project as approved by 85-DP-66cz, in the area described below." (*Ibid.*) The area for this CDP is: "Gaviota State Park (survey station #1725+40) to Gaviota pump station." (*Ibid.*) CDP 86-CDP-205 was issued on August 5, 1986. (AR 3894.) The CDP is for the approved project: "Remainder of all construction activities for the Celeron Pipeline project as approved by 85-DP-66cz, in the area described below." (*Ibid.*) The area for this CDP is: "Gaviota State Park (survey station #1725+40) to Gaviota pump station." (*Ibid.*) Both CDPs state as special conditions: "The project description, pipeline route, conditions and plans required pursuant to those conditions described by the approved Final Development Plan 85-DP-66cz are incorporated herein by reference as terms of this permit. (AR 3891, 3894.)

The CDPs were not appealed or otherwise challenged after their issuance.

The FDP's Conditions of Approval include:

Under the heading "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." (AR 6714.)

Under the heading "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.” (AR 6710.)

Respondent California Coastal Commission (Commission) issue a CDP for offshore portion of the Pipelines in 1988, CDP E-88-1. (AR 61-62.)

In 2015, a corroded portion of Line 324 ruptured, causing an oil spill (2015 Refugio Oil Spill). (AR 3.) Following the 2015 Refugio Oil Spill, the Pipelines were placed out of service. (*Ibid.*)

In 2020, Sable’s predecessor-in-interest entered into a Federal Consent Decree with the United States and the State of California to resolve issues related to the 2015 Refugio Oil Spill. (AR 6049-6150.) The Federal Consent Decree requires, among other things, that if Line 324 (former Line 901) is to restart, a written Restart Plan must first be approved by the California Office of the State Fire Marshal (OSFM). (AR 6144-6145.) No Restart Plan has yet been approved and restart of the Pipelines is not at issue in this litigation. (Sable Opening Brief, at p. 8, fn. 6.)

(B) Pipeline Activities

In 2024, Sable identified 121 sites on the onshore pipelines requiring Anomaly Repair Work. (AR 1750-1751.) A pipeline “anomaly” refers to a pipeline segment with some deviation from its original configuration. (AR 1750.)

According to Sable: “Sable detects anomalies by using a roving data gathering instrument located within the pipeline interior, typically referred to as an inspection ‘pig,’ which examines a pipeline’s conditions as the pig travels through the Onshore Pipelines. Data collected from the inspection pig is used to identify the approximate location of anomalies from the surface so that excavation and repair activities can be planned. Sable generally must complete the following steps to repair any particular anomaly detected by the pig: (1) access the affected pipeline segment via existing roadways and rights-of-way, which in some locations requires placing metal plates over water courses; (2) excavate the anomaly site, including the dirt beneath the affected pipeline segment, which in some locations may require dewatering and associated discharge; (3) expose the pipeline segment by removing insulation and sandblasting; (4) evaluate whether a ‘Composite Repair’ or ‘Cut-Out Repair’ is required, (5) conduct the Composite or Cut-Out Repair as appropriate, sandblast the repaired pipeline segment, and apply an epoxy coating, pipe tape, and rockguard wrap; (6) backfill the anomaly site, and (7) conduct final site cleanup including erosion control and revegetation work (collectively, the ‘Anomaly Repair Work’). Anomaly Repair Work is short-term and temporary (often lasting less than a week) within the Onshore Pipelines’ operational right-of-way. It requires the use of heavy equipment and may involve the removal of vegetation.” (AR 1751, fns. omitted.)

According to Sable, Sable completed the Anomaly Repair Work at 48 of these anomaly sites before it received communications from the Commission. (AR 1751.)

On September 20, 2024, Commission Enforcement Analyst Jo Ginsberg sent an email to Errin Briggs, Deputy Director, Energy Minerals & Compliance of the County stating:

“We have learned that Sable Offshore Corporation (Sable) is undertaking development in the coastal zone related to Lines 324/325 (formerly known as Lines 901/903) without any Coastal Act authorization, which is a violation of the County’s LCP, and we hereby request the County to take enforcement action. At the same time, we are also aware of both the recent litigation and settlement between the County and Sable, and we assume that, as a result of that settlement, the County will not take the requested action. However, we do believe the work requires Coastal Act authorization. Thus, the Commission will assume enforcement jurisdiction based on the understanding that you are declining this request unless you indicate otherwise by close of business on Sept. 23, 2024.” (AR 300-301.)

Later on September 20, the Briggs replied: “Received. We will review this and get back to you ASAP.” (AR 300.)

On September 27, 2024, Ginsberg, on behalf of the Commission, sent by email its Notice of Violation (NOV) No. V-9-24-0152 (2024 NOV) to Steve Rusch, Vice President Environmental & Regulatory Affairs of Sable, stating in part:

“As you have recently discussed with Cassidy Teufel and Wesley Horn of our staff, it has come to our attention that unpermitted activities are currently taking place in the Coastal Zone, including excavation and other activities at various locations along the existing Lines 324/325 (formerly known as Lines 901/903) now owned by [Sable] associated with a proposed restart of the Santa Ynez Unit. These activities constitute violations of the Coastal Act and Santa Barbara County’s Local Coastal Program (‘LCP’). (AR 208-209, fn. omitted.)

“It has been confirmed that Sable is currently performing various unpermitted construction activities in the Coastal Zone associated with upgrades to Lines 324/325 in connection with Sable’s proposed restart of that pipeline. As part of that proposed restart, Sable is currently undertaking work including a pipeline upgrade project to address pipeline corrosion in locations within the Coastal Zone and to install new safety valves in portions of the pipeline in the Coastal Zone. These activities constitute development and are not exempt from coastal development permit (‘CDP’) requirements.” (AR 209, fn. omitted.)

“Please note that in certain cases when unpermitted development takes place, but Commission staff believe that some version of the work could have been found to be consistent with the applicable standard of review and authorized accordingly, staff recommends that the party undertaking the development submit a CDP application to the regulating authority (in this case, Santa Barbara County), seeking after-the-fact (‘ATF’) authorization for the previously undertaken unpermitted development within the County’s LCP jurisdiction. In other cases, when staff has determined that the unpermitted development is not something for which staff would recommend approval due its inconsistency with the Coastal Act/certified LCP, staff advises the alleged violator to seek resolution through removal, mitigation, restoration, and/or payment of penalties, etc., and not to seek a CDP to authorize such development.

“In this case, we are uncertain at this time whether Santa Barbara County would be able to approve a CDP application from Sable that was seeking ATF authorization for the unpermitted construction activities that have already taken place, as well as authorization going forward for continued construction or other development activities related to the pipeline, such as the installation of safety valves. More information regarding the project would be necessary to come to any such conclusion at this time; however, since such an application might be found approvable by the County, we recommend that you submit a CDP application to the County as soon as possible. Please note that should the County grant approval of such a CDP application, those portions of the project that are located within the Coastal Commission’s appeals jurisdiction would be appealable to the Commission and those portions of the project, if any, that are located within the Commission’s original jurisdiction would require a CDP from the Commission.” (AR 211.)

The Commission followed up with a letter to Sable, dated October 4, 2024 (October 4 Letter), from Kate Huckelbridge, Executive Director, which asked for confirmation that the activity referred to in the 2024 NOV fully ceased and for additional information. (AR 214-217.)

According to Sable, at the time of their receipt of the October 4 Letter, Sable completed the Anomaly Repair Work at 48 of the identified anomaly sites. (AR 1751.) At that time, 45 anomaly sites were open (Open Sites) where excavation and other steps had been undertaken, but the Anomaly Repair Work had not been completed. (*Ibid.*)

On November 12, 2024, the Commission’s Executive Director issued an Executive Director Cease and Desist Order (EDCDO). (AR 13311-13320.) This EDCDO orders Sable to cease and desist from conducting any further unpermitted development and to immediately take steps to avoid irreparable injury to the properties at issue, including, safely securing and stabilizing the Open Sites. (AR 13312-13313.)

On November 21, 2024, Cassidy Teufel, Deputy Director of the Commission, sent an email to Rusch of Sable stating that any work on the offshore portions of the Pipelines would also require a CDP from the Commission. (AR 247-249.)

On November 22, 2024, SCS Engineers, on behalf of Sable, sent a request to Briggs for Zoning Clearances to conduct certain Anomaly Repair Work on Line 324. (AR 6866-6868.) The request identifies that Sable had previously commenced Anomaly Repair Work and had received the 2024 NOV and the EDCDO. (AR 6867.) Sable sought both after-the-fact Zoning Clearances for the Anomaly Repair Work previously undertaken and Zoning Clearances to complete the Anomaly Repair Work in the future. (*Ibid.*)

The Commission received reports that Sable was conducting work on the offshore portions of the Pipelines beginning on November 29, 2024. (AR 4, 6-7, 8.)

On December 6, 2024, SCS Engineers, on behalf of Sable, sent a second request for Zoning Clearances. (AR 7916-7917.) “Sable is submitting two Zoning Clearance applications for this anomaly repair work: (i) an application for the anomaly repair work that is not located in proximity to environmentally sensitive habitat areas, and (ii) an application associated with 6 anomaly repairs for locations that are potentially located in proximity to areas of sensitive habitat.” (AR 7916.)

“Through its inspection pig activities, Sable identified one hundred and twenty-one (121) anomalies where Anomaly Repair Work was required within unincorporated Santa Barbara County and within the Coastal Zone. Sable completed the Anomaly Repair Work at forty-eight (48) of these anomaly sites before receiving the 2024 [Notice of Violation (NOV)] and October 4 Letter. Forty-five (45) anomaly sites were open (i.e., excavation and other steps had been undertaken, but the Anomaly Repair Work had not been completed) at the time Sable received the 2024 NOV and October 4 Letter. At that time, twenty-eight (28) remaining anomaly sites had been identified for future Anomaly Repair Work that had not yet commenced.” (AR 1751, fns. omitted.)

On February 10, 2025, the Commission’s ECDCO expired by operation of law. (See Pub. Resources Code, § 30809, subd. (e).)

On February 11, 2025, Ginsberg, on behalf of the Commission, sent by email a second NOV, V-9-25-001 (2025 NOV). (AR 219-226.) The 2025 NOV identified the violation as: “Unpermitted offshore development including, but not necessarily limited to, deploying sand/cement bags on the seafloor and positioning them to provide support to Sable’s out-of-service offshore oil and water pipelines as part of an effort to restart SYU oil production operations and bring the pipelines back into use.” (AR 219.)

On February 12, 2025, Briggs of the County sent a letter to Sable in response to the November 22, 2024 and December 6, 2024, Zoning Clearance applications, stating in part:

“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.)” (AR 543-544.)

On February 14, 2025, Sable sent a letter to the Commission addressing the 2024 NOV and the October 4 Letter. (AR 282-299.) Among other things, the February 14 letter points to the County's February 12 letter as confirming Sable's position that the Anomaly Repair Work does not require any further authorization under the Coastal Act or the County's LCP. (AR 295.)

On February 16, 2025, the Commission Executive Director sent a response to Sable, stating in part:

"My staff have reviewed your February 14, 2025 letter, in which, at page 4, you cite

Santa Barbara County (the 'County') as concluding that 'no further authorization under the Coastal Act or LCP is required for Sable to proceed' with the work you generally describe as 'anomaly repair work' along Las Flores Pipelines CA-324 and CA-325 ('Pipeline'). Your letter suggests that Sable intends to proceed with this work, and we have received evidence suggesting that Sable may already be doing so, despite several conversations with Commission staff, Notice of Violation letters, and a previous Executive Director Cease and Desist Order ('EDCDO') directing Sable to seek Coastal Act authorization for the work already completed and to cease further work until it, too, is authorized by a new coastal development permit ('CDP'), as described in greater detail below. Although your letter argues that the work has been pre-authorized, based on the information we have received to date, I do not agree." (AR 13523.)

The February 16 letter further states:

"I am therefore informing you that if Sable does not immediately cease all unpermitted development activities, as described above, and comply with the requirement in the next paragraph, it may receive an Executive Director Cease and Desist Order ('EDCDO'), the violation of which may subject Sable to additional fines and penalties. [¶] In order to avoid issuance of an EDCDO, you must confirm, in writing, by Monday, February 17, 2025, no later than 4pm, that Sable will cease all development of the sort described in this notice unless and until it either: (a) demonstrates, to my satisfaction and receives my written confirmation, that it already possesses the necessary Coastal Act authorization for the work, which Sable has not yet demonstrated; or (b) obtains a new, final, operative CDP or other valid Coastal Act authorization specifically covering the work at issue and complies with the terms of any final, validly issued CDPs." (AR 13526.)

On February 17, 2025, the Commission, by Enforcement Counsel Stephanie Cook, sent a letter to the County expressing surprise and disappointment with the February 14 letter sent to Sable. (AR 1078.) The letter states that the Commission received notice that Sable was refusing to halt its operations. (*Ibid.*) The letter asks the County to initiate enforcement proceedings. (*Ibid.*) The letter concludes by stating that unless the Commission hears from the County by noon on February 18, the Commission will “assume that the County has declined to act and conclude that, in any event, the County has not taken action in a timely manner. And as such, we may issue our EDCDO.” (AR 1079.)

On February 18, 2025, the Commission’s Executive Director issued a second EDCDO (ED-25-CD-01), violation numbers V-9-25-0013 and V-9-24-0152. (AR 233-246.) This EDCDO included a notice of intent to commence cease and desist order, restoration order, and administrative order proceedings. (*Ibid.*)

After receiving the County’s letter, Sable resumed onshore Anomaly Repair Work. (AR 1748; Sable Opening Brief, at pp. 4-5.)

(C) Legal and Administrative Proceedings

On February 18, 2025, Sable filed its initial petition in this matter asserting four causes of action: (1) damages for inverse condemnation; (2) declaratory relief for impairment of vested rights; (3) declaratory relief for inverse condemnation; and (4) declaratory relief re Public Resources Code section 30803.

On March 10, 2025, submitted a Statement of Defense to the Commission. (AR 1740-10165.)

The Commission set the matter for a formal administrative adjudication and, on March 28, 2025 issued its staff report and recommendation. (AR 117-205.)

On April 10, 2025, the Commission held a public hearing on its proposed enforcement orders against Sable. (AR 12973-13227.) At this hearing, Sable presented its defense. (*Ibid.*) At the conclusion of the hearing, following deliberation among the Commissioners, the Commission voted to issue three orders (collectively, the April 10 Orders): Cease and Desist Order No. CCC-25-CD-01 (CDO); Restoration Order No. CCC-25-RO-01 (RO); and Administrative Penalty No. CCC-25-AP3-01 (AP). (AR 12497-12522.) The AP provided an administrative penalty of \$18,022,500. (AR 12501.)

Also on April 10, 2025, the Commission filed a demurrer to Sable's original complaint in this Court.

On April 16, 2025, Sable filed its FAP. The FAP asserts six causes of action: (1) for writ of traditional mandamus, or alternatively for administrative mandamus; (2) for declaratory relief; (3) for inverse condemnation; (4) for declaratory relief for impairment of vested rights; (5) for declaratory relief for inverse condemnation; and (6) for declaratory relief under Public Resources Code section 30803. The first cause of action seeks issuance of a writ of mandate to set aside the NOV, EDCDOs, and April 10 orders.

Also on April 16, 2025, the Commission filed a cross-complaint against Sable asserting two causes of action: (1) equitable relief to restrain violation of a cease and desist order; and (2) for declaratory relief.

On May 15, 2025, the Commission filed its first amended cross-complaint (FACC) asserting five causes of action: (1) equitable relief to restrain violation of a cease and desist order; (2) equitable relief to restrain violation of a restoration order; (3) equitable relief to restrain violation of an administrative civil penalty order; (4) for declaratory relief for Sable's violation of CDO CCC-25-CD-01; and (5) for declaratory relief for Sable's violation of RO CCC-25-RO-01.

On May 16, 2025, the Commission made a motion to bifurcate and separately try the writ of mandate claims before the non-writ claims. Also on May 16, the Commission filed its demurrer to the FAP.

On June 16, 2025, Sable filed its demurrer to the FACC.

On June 18, 2025, the Court sustained, without leave to amend, the Commission's demurrer to the sixth cause of action of the FAP and otherwise overruled the demurrer.

On July 23, 2025, the Court overruled Sable's demurrer to the FACC. The Court also granted the Commission's motion to bifurcate. The Court set a briefing schedule for resolution of the writ claims on the administrative record.

The parties have lodged the administrative record with the Court. The parties have filed their respective briefs.

Analysis

(1) Requests for Judicial Notice

In support of the petition, Sable requests that the Court take judicial notice of selected provisions of the Coastal Zoning Ordinance of the County. This request for judicial notice is granted. (See Evid. Code, § 452, subs. (b), (c).)

In support of the petition in reply, Sable also requests that the Court take judicial notice of “the dictionary definition of ‘act.’ ” (Reply Request for Judicial Notice [RRJN], at p. 2.) The Court will take judicial notice of the fact that definition of “act” in exhibit 2 the RRJN appears at the website for merriam-webster.com. (See Evid. Code, § 452, subd. (h).) “When interpreting a statute, Courts ‘appropriately refer to the dictionary definition’ to ascertain the ordinary, usual meaning of a word.” (*California Public Records Research, Inc. v. County of Stanislaus* (2016) 246 Cal.App.4th 1432, 1445.) The Court may therefore appropriately consider that dictionary definitions in determining statutory meaning (as discussed below). However, judicial notice does not extend to determining that this specific definition of “act” applies in the relevant a statutory context.

(2) Standards of Review

“Any aggrieved person shall have a right to judicial review of any decision or action of the commission by filing a petition for a writ of mandate in accordance with Section 1094.5 of the Code of Civil Procedure” (Pub. Resources Code, § 30801.)

“Administrative mandamus [citation] provides for judicial review of an agency decision resulting from a proceeding in which ‘(1) by law a hearing is required to be given, (2) evidence is required to be taken, and (3) the determination of the facts is the responsibility of the administrative agency.’ [Citations.]” (*Save Oxnard Shores v. California Coastal Com.* (1986) 179 Cal.App.3d 140, 148.)

Both parties agree that, notwithstanding that Sable’s first cause of action is stated in the alternative of a traditional writ of mandate under Code of Civil Procedure section 1085, the appropriate procedure and standards are for an administrative writ of mandate under section 1094.5. (Sable Notice of Motion, at p. 2; Sable Opening Brief, at p. 8; Commission Opposition Brief, at p. 8.)

“The inquiry in such a case shall extend to the questions 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. Abuse of discretion is established if the Respondent has not proceeded in the manner required by law, the order or decision is not supported by the findings, or the findings are not supported by the evidence.” (Code Civ. Proc., § 1094.5, subd. (b).)

“ “The general rule” ’ in [writ of administrative mandate] actions is that judicial review “is conducted solely on the record of the proceeding before the administrative agency. [Citation.]” [Citation.] [Citation.] A reviewing Court may receive additional evidence only if that evidence ‘in the exercise of reasonable diligence, could not have been produced or ... was improperly excluded at the hearing before’ the administrative agency. [Citations.] Thus, in reviewing the Commission’s decision, Courts are ‘confined to the record before the Commission unless’ the Petitioner shows it ‘could not have produced’ the new evidence ‘in the exercise of reasonable diligence or unless relevant evidence was improperly excluded at the administrative hearing.’ [Citation.]” (*Sierra Club v. California Coastal Com.* (2005) 35 Cal.4th 839, 863.)

The administrative record is reviewed “ ‘to determine whether the Commission’s findings are supported by substantial evidence.’ [Citation.]” (*Reddell v. California Coastal Com.* (2009) 180 Cal.App.4th 956, 962 (*Reddell*)). “ “Courts may reverse an agency’s decision only if, based on the evidence before the agency, a reasonable person could not reach the conclusion reached by the agency.” ’ [Citation.]” (*Ibid.*, italics omitted.)

“It is presumed that an administrative agency regularly performed its duty, and the burden is on the party challenging the agency’s actions to prove an abuse of discretion.” (*Save Laurel Way v. City of Redwood City* (2017) 14 Cal.App.5th 1005, 1011.)

(3) Arguments

Sable argues that the Commission abused its discretion in issuing the April 10 Orders because the County authorized Sable’s onshore repair work. In support of this argument Sable argues that the existing onshore CDPs encompass the onshore work, that the County’s determination is entitled to deference, and that the Commission lacks statutory authority to issue the CDO. Sable further argues that the OSFM compelled and approved Sable’s installation of safety valves. Sable further argues that the offshore repair work was fully authorized.

The Commission disagrees and disputes each of Sable's arguments. Instead, the Commission argues that it was authorized to issue the April 10 Orders and that Sable engaged in unauthorized development in violation of the Coastal Act.

(4) Coastal Act Requirements

Except as to emergencies not at issue here, "and in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, any person, as defined in Section 21066, wishing to perform or undertake any development in the coastal zone, other than a facility subject to Section 25500, shall obtain a coastal development permit." (Pub. Resources Code, § 30600, subd. (a).)

" 'Development' means, on land, in or under water, the placement or erection of any solid material or structure; discharge or disposal of any dredged material or of any gaseous, liquid, solid, or thermal waste; grading, removing, dredging, mining, or extraction of any materials; change in the density or intensity of use of land, including, but not limited to, subdivision pursuant to the Subdivision Map Act (commencing with Section 66410 of the Government Code), and any other division of land, including lot splits, except where the land division is brought about in connection with the purchase of such land by a public agency for public recreational use; change in the intensity of use of water, or of access thereto; construction, reconstruction, demolition, or alteration of the size of any structure, including any facility of any private, public, or municipal utility; and the removal or harvesting of major vegetation other than for agricultural purposes, kelp harvesting, and timber operations which are in accordance with a timber harvesting plan submitted pursuant to the provisions of the Z'berg-Nejedly Forest Practice Act of 1973 (commencing with Section 4511). [¶] As used in this section, 'structure' includes, but is not limited to, any building, road, pipe, flume, conduit, siphon, aqueduct, telephone line, and electrical power transmission and distribution line." (Pub. Resources Code, § 30106.)

There is no essential dispute that Sable's Anomaly Repair Work constitutes "development" within the meaning of the Coastal Act. The Anomaly Repair Work involves grading and other activities within the definition of "development." There is therefore no essential dispute that performing such work requires a CDP. Sable argues both that the CDPs obtained in 1986 authorize the development activities under the Coastal Act and that the Commission does not have authority to issue the CDO based upon the development activities.

(5) Commission Authority

“The Coastal Act ‘was enacted by the Legislature as a comprehensive scheme to govern land use planning for the entire coastal zone of California. The Legislature found that “the California coastal zone is a distinct and valuable natural resource of vital and enduring interest to all the people”; that “the permanent protection of the state’s natural and scenic resources is a paramount concern”; that “it is necessary to protect the ecological balance of the coastal zone” and that “existing developed uses, and future developments that are carefully planned and developed consistent with the policies of this division, are essential to the economic and social well-being of the people of this state...” ([Pub. Resources Code,] § 30001, subds. (a) and (d).)’ [Citation.] The Coastal Act is to be ‘liberally construed to accomplish its purposes and objectives.’ (Pub. Resources Code, § 30009.) Under it, with exceptions not applicable here, any person wishing to perform or undertake any development in the coastal zone must obtain a coastal development permit ‘in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency...’ (*Id.*, § 30600, subd. (a).)” (*Pacific Palisades Bowl Mobile Estates, LLC v. City of Los Angeles* (2012) 55 Cal.4th 783, 793–794 (*Pacific Palisades*).)

“The Coastal Act expressly recognizes the need to ‘rely heavily’ on local government ‘[t]o achieve maximum responsiveness to local conditions, accountability, and public accessibility...’ (Pub. Resources Code, § 30004, subd. (a).) As relevant here, it requires local governments to develop local coastal programs, comprised of a land use plan and a set of implementing ordinances designed to promote the act’s objectives of protecting the coastline and its resources and of maximizing public access. (*Id.*, §§ 30001.5, 30500–30526; [citation].) Once the California Coastal Commission certifies a local government’s program, and all implementing actions become effective, the commission delegates authority over coastal development permits to the local government. (Pub. Resources Code, §§ 30519, subd. (a), 30600.5, subds. (a), (b), (c).) Moreover, ‘[p]rior to certification of its local coastal program, a local government may, with respect to any development within its area of jurisdiction, ... establish procedures for the filing, processing, review, modification, approval, or denial of a coastal development permit.’ (*Id.*, § 30600, subd. (b)(1).) An action taken under a locally issued permit is appealable to the commission. (*Id.*, § 30603.) Thus, ‘[u]nder the Coastal Act’s legislative scheme, ... the [local coastal program] and the development permits issued by local agencies pursuant to the Coastal Act are not solely a matter of local law, but embody state policy.’ [Citation.] ‘In fact, a fundamental purpose of the Coastal Act is to ensure that state policies prevail over the concerns of local government.’ [Citation.]” (*Pacific Palisades, supra*, 55 Cal.4th at p. 794.)

The County established a LCP at the time of the issuance of the 1986 CDPs. There is no essential dispute that the initial construction of the Pipelines were within the scope of the CDPs as issued.

Sable argues that the Commission has no authority to issue the CDO as to the onshore work because the County issued the applicable CDP and the County determined that the work was within the scope of the CDP. The Commission argues that it has authority to issue the EDCDOs and CDO because the County failed and refused to act to enforce the Coastal Act.

“If the executive director determines that any person or governmental agency has undertaken, or is threatening to undertake, any activity that (1) may require a permit from the commission without securing a permit or (2) may be inconsistent with any permit previously issued by the commission, the executive director may issue an order directing that person or governmental agency to cease and desist. The order may be also issued to enforce any requirements of a certified local coastal program ..., or any requirements of this division which are subject to the jurisdiction of the certified program or plan, under any of the following circumstances: [¶] ... [¶] (2) The commission requests and the local government ... declines to act, or does not take action in a timely manner, regarding an alleged violation which could cause significant damage to coastal resources. [¶] (3) The local government ... is a party to the violation.” (Pub. Resources Code, § 30809, subd. (a)(2), (3).)

“If the commission, after public hearing, determines that any person or governmental agency has undertaken, or is threatening to undertake, any activity that (1) requires a permit from the commission without securing a permit or (2) is inconsistent with any permit previously issued by the commission, the commission may issue an order directing that person or governmental agency to cease and desist. The order may also be issued to enforce any requirements of a certified local coastal program ..., or any requirements of this division which are subject to the jurisdiction of the certified program or plan, under any of the following circumstances: [¶] ... [¶] (2) The commission requests and the local government ... declines to act, or does not take action in a timely manner, regarding an alleged violation which could cause significant damage to coastal resources. [¶] (3) The local government ... is a party to the violation.” (Pub. Resources Code, § 30810, subd. (a)(2), (3).)

The Commission twice requested that the County take enforcement to stop Sable's construction activity. (AR 300-301, 1078-1079.) The County has taken no enforcement action. Instead, in its February 12 letter to Sable, the County staff took the position that no further application to or action by the County is required for Sable to do the Anomaly Repair Work. (AR 543-544.) The Commission points to the County's February 12 letter as inaction to authorize its own action under sections 30809 and 30810. Sable points to the County's February 12 letter as action by the County precluding Commission action under sections 30809 and 30810.

To resolve this dispute, it is necessary for the Court to interpret the language in sections 30809 and 30810 of "the local government ... declines to act." (Note: For ease of writing, the Court will refer only to section 30810. Because the language is identical and there is no apparent reason for interpreting this language different as between section 30809 and 30810, the same analysis applies to section 30809.)

"We will follow the Act's plain meaning unless doing so would lead to absurd results the Legislature did not intend. [Citation.] If we cannot determine that meaning from the statutory language, we will defer to the Commission's interpretation of the Act so long as it is not clearly erroneous. [Citation.] We may also examine legislative history [citation] and 'consider the impact of an interpretation on public policy' [citation]. But we can neither insert words into the Act that the Legislature omitted nor omit words the Legislature inserted [citation]; our job is not to rewrite statutes to conform to an assumed intent that does not appear from their language [citation]." (*Wall v. California Coastal Commission* (2021) 72 Cal.App.5th 943, 953.)

However, "[w]e give no deference to the Coastal Commission's determination in deciding whether its action exceeds the authority delegated to it by the Legislature." (*City of Malibu v. California Coastal Com.* (2012) 206 Cal.App.4th 549, 560.)

Sable argues, citing a definition of "act" as "to give a decision," that the County did act. This interpretation is not, however, consistent with the overall use of language in the statute.

“Pursuant to established principles, our first task in construing a statute is to ascertain the intent of the Legislature so as to effectuate the purpose of the law. In determining such intent, a Court must look first to the words of the statute themselves, giving to the language its usual, ordinary import and according significance, if possible, to every word, phrase and sentence in pursuance of the legislative purpose. A construction making some words surplusage is to be avoided. The words of the statute must be construed in context, keeping in mind the statutory purpose, and statutes or statutory sections relating to the same subject must be harmonized, both internally and with each other, to the extent possible. [Citations.] Where uncertainty exists consideration should be given to the consequences that will flow from a particular interpretation. [Citation.] Both the legislative history of the statute and the wider historical circumstances of its enactment may be considered in ascertaining the legislative intent.” (*Dyna-Med, Inc. v. Fair Employment & Housing Com.* (1987) 43 Cal.3d 1379, 1386–1387.)

The language of section 30810, subdivision (a)(2) is “The commission requests and the local government ... declines to act, or does not take action in a timely manner, regarding an alleged violation which could cause significant damage to coastal resources.” The phrase “declines to act” exists in conjunction with the “commission requests” and both are modified by “regarding an alleged violation which could cause significant damage.” The phrase “declines to act” thus more naturally reads as a negative response to the Commission’s request for action. That is precisely what occurred here—the County, or at least a staff member acting for the County, declined to take enforcement action as requested by the Commission, instead finding that no further action was necessary.

The ostensible purpose of section 30810, subdivision (a) is to allow the Commission to act to stop significant damage to coastal resources, even where there is a LCP in place, where the local government does not act. It is reasonable to assume that if a local government is not acting to stop such potential damage after a request by the Commission, one reason why the local government does not act is because it disagrees with the Commission as to the need or wisdom to act. The statutory language and overall statutory purpose, however, is to protect coastal resources. Thus, under subdivision (a), if the Commission sees a violation and the local government does not, the Commission may issue a CDO.

Sable's alternative interpretation is inconsistent with the statutory scheme. As Sable points out, the action by County here is not subject to appeal, within the County or to the Commission. (AR 9358.) Consequently, under this interpretation, if the County's determination that no further authorization is required is legally wrong, the Commission has no authority to act to prevent the violation. The Commission's apparent only avenue would be to seek a writ in civil Court to make the County act differently. That consequence is plainly contrary to the statutory language to allow the Commission to act on its own to protect coastal resources when the local government does not. It is, for the same reason, also inconsistent with subdivision (a)(3) that allows the Commission to issue a CDO, notwithstanding a LCP, where the local government itself is a party to the violation.

The Court finds that, under the facts presented in the AR here, the Commission had authority to issue the April 10 Orders.

(6) Scope of 1986 CDPs

Sable's next principal argument is that the Anomaly Repair Work was authorized by the 1986 CDPs issued by the County. The County's February 12 letter addresses this issue by stating: "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)." (AR 543.)

This argument was rejected by the Commission in reaching its determination to issue the April 10 Orders. (See AR 6.)

The CDPs by their express terms authorize "[c]learing, grading and trenching activities for Celeron Pipeline Project as approved by 85-DP-66cz" and "[r]emainder of all construction activities for Celeron Pipeline Project as approved by 85-DP-66cz." (AR 3891, 3894.) There is no essential dispute between the parties that the CDPs authorize not only the initial construction of the Pipelines but maintenance activities consistent with the continuing operation of the Pipelines. The parties do not point to anything in the AR to suggest that additional CDPs were required or expected for maintenance activities during the time of the continuous operation of the Pipelines. This understanding is consistent with the EIR/EIS analysis which very generally addresses maintenance.

The circumstances at the time of the April 10 Orders, however, were markedly different from those contemplated by the CDPs as issued. One significant difference is that in 2015 there was an oil spill that shut down the operation of the Pipelines. The Anomaly Repair Work did not commence until 2024, with approximately nine years of hiatus. (AR 1748-1750.) Another significant difference is that the work in 2024 was significantly more intense than prior maintenance activities. The work done by Sable involved work at 121 sites done during a single year, rather than limited work done throughout nearly a decade.

The definition of “development” under Public Resources Code section 30106 includes “construction” and “reconstruction” of any “structure.” “Structure” is further defined to include a “pipe.” Because the definition of “development” expressly includes both “construction” and “reconstruction,” under ordinary principles of statutory construction, these terms are interpreted to mean different things. Thus, a permit that allows for “construction” would not in the ordinary sense also allow for “reconstruction.” And, indeed, the CDPs expressly permit “construction” without mention of “reconstruction.” The dictionary definition of “reconstruct” is sensible, including: “to construct again: as **a** (1): to build again: rebuild <~ing destroyed railroads> (2): to make over: repair <~ed the highways that needed it>.” (Webster’s 3d New Internat. Dict. (1986) p. 1897.) So “reconstruction” (the action of reconstructing (*id.*, p. 1898)) includes concepts of both rebuilding and repair.

By including “reconstruction” as separate from “construction,” it is reasonable to conclude that at some point the extent of maintenance of a project would move from construction to reconstruction, where reconstruction would be a development requiring a CDP separate from the CDP authorizing construction. Whether specific to that part of the definition of “development” or more generally, these concepts provide an analytical framework to distinguish among permitted development as authorized by a CDP and unpermitted further development requiring a separate CDP.

As a starting point, it is useful to note that the EIR/ EIS projected a 30-year life of the project, although the actual life would depend on the availability of crude oil. (AR 2580.) This projected end of life is close to when the 2015 Refugio Oil Spill occurred. In that timeframe, work needed to keep the Pipeline operational would be expected to intensify and thus be more akin to “reconstruction” than mere maintenance. This is consistent with the record of what happened. According to Commission staff, the work done by Sable far exceeds the simple repair and maintenance as described by Sable:

“Sable has excavated and reinforced or replaced the line at more than 130 separate locations along its roughly 14-mile length in the Coastal Zone, in some extended stretches, leaving behind barely any in its original condition. In addition, the type of work being done, which includes permanent removal of the insulating layer on the outside of the line, which was a critical feature of the original design.” (AR 13000-13001.) “Based on information from Sable, it has excavated over 3.7 acres across its worksites in the Coastal Zone and an estimated 72,000 cubic yards of soil.” (AR 13001.) “Considering the additional area of habitat removal and disturbance for access roads and staging areas and stockpile areas for the worksites, the cumulative impact of the work is significantly greater.” (AR 13002.)

This last point is also meaningful. Even it is assumed that the same repair and maintenance work that was actually done by Sable (or at the time of the CDO contemplated by Sable) would have ultimately have been required during continuous operation of the Pipelines, such work would have been accomplished under the CDP authorization over the course of approximately nine years. Doing all of that work in the space of a few months has a cumulative effect of a substantially increased intensity of use of the land that is more consistent with “reconstruction” than maintenance “construction.”

While there are some factual disputes regarding the scope and nature of the work performed by Sable (and, as of the time of the CDO, to have been performed by Sable), the Commission determined the extent of this work to exceed the scope of “construction” as authorized by the existing CDPs. This is a different conclusion than apparently reached by the County. This disagreement raises an issue about the extent to which deference is owed to either decision. (See *Reddell, supra*, 180 Cal.App.4th 956, 968, quoting *Divers’ Environmental Conservation Organization v. State Water Resources Control Bd.* (2006) 145 Cal.App.4th 246, 252, 51 Cal.Rptr.3d 497 [“ ‘... we must also defer to an administrative agency’s interpretation of a statute or regulation involving its area of expertise, unless the interpretation flies in the face of the clear language and purpose of the interpreted provision’ ”].)

As between the County's position and the Commission's position, the Commission's position is more persuasive. The issue presented to each agency is the same. The Commission, in addition to its position as a state-wide agency responsible for Coastal Act issues, adopted its position by action of its Commissioners with a detailed staff report incorporated by reference. (AR 12493-12494.) The County's February 12 letter is conclusory in its analysis, reflects the position of staff rather than a decisional body of the County, and contains express qualifications as to the limitations of it as a County decision. (AR 543-544.) Under these circumstances, to whatever extent deference is to be paid to these determinations, the Commission's determination is entitled to greater deference.

As a consequence, applying these concepts to the instant situation, the scope of the activity is more consistent with "reconstruction" than with "construction." The Court finds that there is substantial evidence to support the Commission's conclusion that the work is beyond the scope of the 1986 CDPs. To whatever extent this is a legal determination, the Court agrees with the Commission's characterization of such work as beyond the scope of the 1986 CDPs.

While the above discussion is focused on the Anomaly Repair Work, the same analysis and conclusion applies to both the installation of safety valves and the offshore repair work, as discussed below.

The Court concludes that Sable has not shown that the Commission was in error in determining that the prior CDPs did not authorize the work subject to the April 10 Orders. Put differently, under the standards applicable to administrative writs, Sable has not shown that its work was authorized under the Coastal Act.

(7) OSFM Approval of Safety Valve Installation

Sable also argues that because the OSFM compelled and approved Sable's installation of safety valves, that specific work is permitted by the existing CDPs. It is significant to note that the OSFM required operators to retrofit existing pipelines with "best available technology" (BAT), i.e., an automatic shutoff system, by April 1, 2023. (Cal. Code Regs., tit. 19, § 2108, subd. (c).) The work subject to the April 10 Orders occurred in 2024 as part of the extensive work performed by Sable. For the same reasons discussed above, whether or not specific work could under different conditions been considered as within the scope of the existing CDPs, the Commission did not err in determining that the extensive work conducted by Sable was beyond the scope of the 1986 CDPs and hence unpermitted.

(8) Offshore Work

Sable further argues that the Offshore Repair Work was fully authorized by the prior CDP. This argument is subject to the same analysis as discussed above. The offshore portion of the Pipelines was constructed under a CDP issued by the Commission (rather than the County) in 1988. (AR 61-62.) The Offshore Repair Work included within the unpermitted work identified in the April 10 Orders include the deployment and positioning of sand and concrete bags to provide structural support below section from which the seafloor had scoured or eroded. (AR 6.) As with the onshore work, there is a factual dispute between the parties as to the characterization of the work, among other things, as being within the scope of the 1988 CDPs. For the same reasons discussed above, whether or not specific work could under different conditions have been considered as within the scope of the existing CDPs, the Commission did not err in determining that the extensive work conducted by Sable was beyond the scope of the 1988 CDP and hence unpermitted.

(9) Conclusion

As the above discussion demonstrates, the issue before the Court is not whether the specific work conducted by Sable was or is ultimately necessary or appropriate for pipeline safety. The issue before the Court is whether the Commission abused its discretion in issuing the April 10 Orders under the standards for review by petition for administrative writ of mandate.

Based on the foregoing analysis and a review of all of the arguments of the parties and the AR, the Court finds the Commission's factual findings are supported by substantial evidence and that Sable has not met its burden to show an abuse of discretion by the Commission in issuing the April 10 Orders.

Accordingly, the petition for administrative mandate as set forth in the first cause of action of Sable's FAP will be denied.

JUDGES

JUDGE THOMAS ANDERLE

Dept. 3 SB-Anacapa

1100 Anacapa Street P.O. Box 21107

Santa Barbara, CA 93121-1107

US

Attachment F

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**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]**

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

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

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

28

I.

FACTUAL AND PROCEDURAL BACKGROUND¹

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).

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).

1 **B. The Refugio Spill and Sable**

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

7 Sable Offshore, led by Chief Executive Officer Jim Flores, was initially formed as
8 several special purpose entities for the purpose of evaluating the opportunity to acquire
9 the SYU assets. Appellants Board Comment Letter A.R. 3203 (Vol. 11 at 1061) [Doc. #
10 13-11]. On February 14, 2024, Sable Offshore acquired the facilities and the pipeline
11 from the Exxon Mobil Affiliates. County Staff Report A.R. 18 (Vol. 1 at 23); Appellants
12 Board Comment Letter A.R. 3204 (Vol. 11 at 1062). It also acquired PPC, which owned
13 the pipeline. *Id.* A.R. 3204 (Vol. 11 at 1062). To fund the \$625,000,000 acquisition,
14 Sable secured an approximately \$622,000,000 loan from Exxon. *Id.* A.R. 3200 (Vol. 11
15 at 1058).

16 **C. Chapter 25B**

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

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

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

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

1 **1. Operator**

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

12 **2. Owner**

13 The Planning Commission⁴ “shall approve or deny any application to transfer a
14 permit for . . . change of ownership.” County Code § 25B-8(a)(1)(a). “Prior to approval
15 of such application, the [Planning Commission] shall make all findings required . . . and
16 shall take all actions necessary” County Code § 25B-8(a)(2). The Planning
17 Commission “shall approve an application for a change of owner only if the [Planning
18 Commission] makes the following findings:” (1) fees and exactions, (2) financial
19 guarantees, (3) acceptance of permit, (4) facility safety audit, and (5) compliance with
20 existing requirements. County Code §§ 25B-9(a), (a)(1)-(5). The financial guarantees
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23 the Santa Barbara County Director. County Code §§ 25B-3, 25B-8(a). Where, as here, an application
24 includes components under both the Planning Commission and the Santa Barbara County Director’s
25 jurisdiction, the application may be processed with a combined application and decided by the Planning
26 Commission. County Code § 25B-8(c). The Court will therefore refer to the Planning Commission as
27 the decisionmaker for changes of owner and guarantor in the combined application at hand.

28 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).

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

3 **3. Guarantor**

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

9 **4. Appeals**

10 Decisions by the Planning Commission may be appealed to the Board by the
11 applicant or any interested person adversely affected by such decision. County Code §
12 25B-12(b)(1). In the appeal, the appellant must “state specifically” how the Planning
13 Commission’s decision is “inconsistent with the provisions or purposes of this chapter”
14 or “there was an error or abuse of direction” by the Planning Commission. County Code
15 § 25B-12(b)(2). The Planning Commission transmits to the Board copies of the
16 application and “a statement of findings setting forth the reasons for the planning
17 commission’s decision.” County Code § 25B-12(b)(3). The Board’s hearing “shall be de
18 novo” and the Board “shall affirm, reverse, or modify the planning commission’s
19 decision at a public hearing.” County Code § 25B-12(b)(4). The hearing must be
20 noticed. *Id.*

21 **D. Sable’s Applications to the Planning Commission**

22 On March 14, 2024, Sable submitted a combined application to the Planning
23 Commission for change of owner, operator, and guarantor of the FDPs. SYU Application
24 A.R. 240 (Vol. 1 at 245); POPCO Facility Application A.R. 254 (Vol. 1 at 259); Pipeline
25 Application A.R. 269 (Vol. 1 at 274). Under Chapter 25B, if an application is found
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1 incomplete, County Staff⁵ issue a notice of incompleteness and the applicant shall
2 provide “any additional information” required through an incompleteness letter. County
3 Code § 25B-8(d). Sable was required to supplement its applications in response to
4 notices of incompleteness three times. A.R. 284 (Vol. 1 at 289); A.R. 294 (Vol. 1 at
5 299); A.R. 307 (Vol. 1 at 312).

6 The County Staff deemed Sable’s application complete on July 30, 2024. County
7 Staff Report A.R. 18 (Vol. 1 at 23). The County Staff found that Sable had satisfied the
8 requirements under Chapter 25B and recommended the Planning Commission approve
9 Sable’s applications. County Staff Presentation A.R. 1985 (Vol. 10 at 234) [Doc. # 13-
10 10]. The Planning Commission held a public hearing on October 30, 2024. A.R. 2170
11 (Vol. 11 at 28). The Planning Commission, by a vote of three to one, made the required
12 findings for approval under Chapter 25B and approved the change of owner, operator,
13 and guarantor for the facilities and pipeline. A.R. 2170 – 2171 (Vol. 11 at 28-29). In a
14 letter to Sable, the Planning Commission attached its findings of approval. A.R. 2172 –
15 2184 (Vol. 11 at 30–42).

16 **E. The Appeal to the Board**

17 On November 7, 2024, Intervenors EDC, GOO!, and SBCAN (hereinafter
18 “Appellants”),⁶ filed an appeal of the Planning Commission’s approval.⁷ Appeal Letter
19 A.R. 2058 (Vol. 10 at 307). They previously submitted a comment letter with the same
20 concerns to the Planning Commission. Planning Commission Comment Letter A.R. 1867
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23 ⁵ Although Chapter 25B states the Director will issue the notice of incompleteness, the County
24 Staff Report states the County Staff were responsible for deeming the application complete. County
25 Staff Report A.R. 18 (Vol. 1 at 23). In Sable’s incompleteness letters, it also refers to the County as the
26 notice issuer. *See, e.g.*, A.R. 284 (Vol. 1 at 289).

27 ⁶ Appellants did not include Intervenors Sierra Club and SBCK. A.R. 2058 (Vol. 10 at 307).
28 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.

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

4 **F. The Board Hearing and Tie Vote**

5 The Board held a public hearing on February 25, 2025. A.R. 2949 (Vol. 11 at
6 807). County Staff recommended the Board deny the appeal. Board Agenda Letter A.R.
7 2953 (Vol. 11 at 811). The Board has five members, one for each district: Roy Lee,
8 Laura Capps, Joan Hartmann, Bob Nelson, and Steve Lavagnino. A.R. 2927 (Vol. 11 at
9 785). Hartmann recused herself. Board Hearing Minute Order A.R. 6755 (Vol. 21 at 11)
10 [Doc. # 13-21]. The hearing lasted over five hours with almost 100 public comments.
11 Board Hearing Minute Order A.R. 6753 – 6754 (Vol. 21 at 9–10). County Staff (Hearing
12 Transcript A.R. 6965 – A.R. 6975 (Vol. 21 at 221–231)), EDC for Appellants (Hearing
13 Transcript A.R. 6987 – A.R. 6992 (Vol. 21 at 243–248)), and Sable (Hearing Transcript
14 A.R. 7013 – A.R. 7023 (Vol. 21 at 269–279)) each spoke and answered questions from
15 the Board.

16 As documented in the Minute Order following the Board Hearing, Lavagnino
17 made a motion, seconded by Nelson, to: (1) deny the appeals; (2) “[make] the required
18 findings for approval” for change of owner, operator, and guarantor; (3) approve, and (4)
19 “grant[] de novo approval” of the change of owner, operator, and guarantor. Board
20 Hearing Minute Order A.R. 6755 (Vol. 21 at 11). The motion “failed” at the first stage,
21 with Nelson and Lavagnino voting in favor of denying the appeals and Lee and Capps
22 voting to uphold the appeals. Board Hearing Minute Order A.R. 6755 (Vol. 21 at 11);
23 Hearing Transcript A.R. 7140 (Vol. 21 at 396) (Nelson), A.R. 7137 (Vol. 21 at 393)
24 (Lavagnino), A.R. 7138 (Vol. 21 at 394) (Lee), A.R. 7142 (Vol. 21 at 398) (Capps), A.R.
25 7143 (Vol. 21 at 399) (“Motion fails two to two”).

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

1 7138 (Vol. 21 at 393–394). Capps, “within the narrow confines” of the FDP transfer, and
2 related to the Board’s “fiscal oversight” and “fiscal responsibility” to the County’s
3 budget, concluded she lacked the “reassurance of fiscal stability” in evaluating the FDP
4 transfers. A.R. 7140 – 7142 (Vol. 21 at 396–398). Capps identified three “red flags,” or
5 reasons, in support of her position: Sable had to obtain a loan from Exxon in order to
6 purchase the facilities and pipeline, Sable did not show the Board the insurance policy,
7 and the California Coastal Commission issued notices of violation against Sable around
8 five to six months after Sable filed their applications at issue here. *Id.* A.R. 7140 – 7142
9 (Vol. 21 at 396–398); *see* Planning Commission Comment Letter A.R. 1889 – 1890 (Vol.
10 10 at 138–139), A.R. 1908 (Vol. 10 at 157), A.R. 1969 (Vol. 10 at 218).

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

21 **G. Sable’s Letters Following the Vote**

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

1 April 11, 2025, Sable sent a second letter with a request that the County transfer the FDPs
2 and accompanied it with a threat to commence litigation for a writ of mandate. A.R.
3 6768 – 6770 (Vol. 21 at 24–26).

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

14 **H. Petitioners File Suit**

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

21 **I. Requests for Judicial Notice (“RJNs”)**

22 Petitioners and Intervenors filed Requests for Judicial Notice (“RJN”). Petitioners
23 request notice of: (1) a transcript of the Board’s hearing on September 19, 2023
24 regarding the transfer of these FDPs to the Exxon Mobile Affiliates; (2) the County’s
25 agenda for the September 19, 2023 hearing; (3) the minute order following the September
26 19, 2023 hearing. [Doc. # 36-3 (“Petitioners RJN”).] The transcript is a record of an
27 agency’s public hearing and the agenda and minute order are public records of agency
28 action. *Coal. for a Sustainable Delta v. Fed. Emergency Mgmt. Agency*, 812 F. Supp. 2d

1 1089, 1093 (E.D. Cal. 2011); Fed. R. Evid. 201(b). The Court therefore **GRANTS**
2 Petitioners’ RJN.

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

8 The Court can take judicial notice of regulations and therefore **GRANTS in part**
9 Intervenors’ RJN as to Chapter 25B. *See Roemer v. Board of Public Works of Maryland*,
10 426 U.S. 736, 743 n.2 (1976) (taking judicial notice of state regulations); Fed. R. Evid.
11 201. The FPPC letter is a public record posted on a public agency’s official website and
12 is not subject to reasonable dispute. *Coal. for a Sustainable Delta*, 812 F. Supp. 2d at
13 1093; Fed. R. Evid. 201(b). Intervenors’ RJN is **GRANTED in part** as to the letter.
14 Judicial notice is taken to prove the public record’s existence and content, but not for the
15 truth of the matters asserted therein. *Coal. for a Sustainable Delta*, 812 F. Supp. 2d at
16 1093. The remainder of Intervenors’ RJN is **DENIED as moot** as the Court did not rely
17 upon this evidence. Because the Court grants Intervenors’ RJN as to the 2025 letter,
18 Petitioners’ Alternative RJN for a 2016 letter from the FPPC regarding Hartmann is
19 **GRANTED** for the same reasons. [Doc. # 46-4 (“Alternative RJN”).]

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

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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).

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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).

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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).

1 **B. California Code of Civil Procedure Section 1094.5**

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

14 **III.**

15 **DISCUSSION**

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

17 Petitioners’ first claim for relief turns on the legal effect of the Board’s tie vote on
18 the Planning Commission’s approval of Sable’s FDP applications. *See* Petitioners MSJ at
19 14; Intervenors MSJ at 12. Petitioners argue the Board was not required to issue its own
20 findings or take direct action to approve the FDP transfers, and therefore the tie vote
21 leaves the appealed Planning Commission decision intact, similar to a tie vote in an
22 appellate court. Petitioners MSJ at 14. Intervenors contend that because the hearing
23 before the Board was *de novo*, the tie vote constitutes “no action” and effectively
24 functions as a denial. Intervenors MSJ at 12–13. Respondents decline to take a position
25 on the tie vote. Response at 8. Instead, Respondents provide a general overview of
26 applicable law, conclude the effect of the tie vote is unclear, and defers to the Court.
27 Response at 16.

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

9 **1. California Law on the Effect of Tie Votes**

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

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

1 theoretical tie vote would have affirmed one type of appeal provision (the parcel map) but
2 would not have affirmed another (the conditional use permit). *Id.* This result was
3 dictated by the differences between the applicable provisions. *Id.* The conditional use
4 permit provision in *Clark*, presumably unlike the parcel map provision, required the
5 council to hear the matter *de novo*, take additional evidence at a public hearing, and
6 decide whether it should grant or deny the permit. *Id.* The Court of Appeal based this
7 conclusion on language from the municipal code, which stated the council “shall order
8 that the conditional use permit be granted, denied, or modified” and the action by the
9 council shall be by three affirmative votes. *Id.* (internal quotations removed). This
10 language dictated “[a] tie vote would not suffice.” *Id.* at 1176. The municipal code in
11 *Clark* was “virtually identical” to the one in *Anderson*. *Id.* (citing *Anderson v. Pittenger*,
12 197 Cal. App. 2d 188, 194–5 (1961)).

13 In *Anderson*, the city council ended in a tie vote over an appeal of an application
14 for a zoning variance. 197 Cal. App. 2d at 189. The Court of Appeal ruled the tie vote
15 constituted “no action,” and not an affirmance of the order of the lower commission’s
16 decision, because: (1) the council was required to hold a public hearing after publishing
17 notice, and (2) the council did not merely review and “affirm, reverse, or modify” the
18 order of the commission, but was required by ordinance to “act upon the appeal.” *Id.* at
19 194, 195. Moreover, the council was not bound by the findings of the commission or the
20 testimony before the commission, and there were no limitations on new or additional
21 testimony. *Id.* If the council were bound by the findings of the commission, there would
22 be “no point” in requiring the public hearing. *Id.* The *Anderson* Court of Appeal
23 concluded the council heard the matter *de novo* and made its own determination as to the
24 facts. *Id.*

25 The Court of Appeal in *Rea* considered a similar set of facts. *Rea Enters. v.*
26 *California Coastal Zone Conservation Com.* (hereinafter “*Rea*”), 52 Cal. App. 3d 596
27 (1975). In *Rea*, the regional commission approved petitioners’ application for a coastal
28 zone development permit. *Id.* at 601. The decision was appealed to the state

1 commission, which conducted a public hearing that resulted in a six-to-six tie vote. *Id.*
2 The state commission’s review was a “new, unlimited look at the same request for a
3 permit by a de novo public hearing” and a “redetermination” “of the merits of the
4 application.” *Id.* at 605 (quoting *Klitgaard & Jones, Inc. v. San Diego Coast Reg'l Com.*,
5 48 Cal. App. 3d 99, 108 (1975)). The petitioners argued the jurisdiction of the state
6 commission was one “strictly of an appellate nature” and therefore the tie vote resulted in
7 an affirmance of the regional commission’s decision approving the permit. *Id.* at 606–
8 607. In support, they contended the *de novo* public hearing referred only to the process
9 by which the state commission is required to gather evidence and the state commission
10 could only “affirm, reverse, or modify” the regional commission’s decision. *Id.* at 607.
11 The Court of Appeal disagreed, noting that the language of “affirm, modify, or reverse”
12 was not dispositive—although “grant or “deny” would have been “clear[er].” *Id.* at 608–
13 609. Rather, the Court of Appeal looked to the legislative intent and other rules of
14 statutory interpretation and concluded the tie vote did not affirm the regional
15 commission’s approval. *Id.* at 606–611.

16 Petitioners rely upon *Grist Creek Aggregates*, but that case is distinguishable.
17 *Grist Creek Aggregates, LLC v. Superior Ct.*, 12 Cal. App. 5th 979 (2017). The *Grist*
18 *Creek* Court analyzed California case law to address whether the tie votes were subject to
19 judicial review. 12 Cal. App. 5th at 990. Regarding the *effect* of the tie vote, the court
20 relied on three of the parties’ *agreement* that the effect of the tie vote was to deny the
21 appeal. *Id.* Accordingly, most of the *Grist Creek Aggregates* opinion is inapplicable.⁹
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25 ⁹ Petitioners’ reliance on the unpublished decision in *Serv. Emps. Int'l Union Loc. 1021* is not
26 particularly helpful to their cause. *Serv. Emps. Int'l Union Loc. 1021 v. Cnty. of Mendocino*, No. 20-
27 CV-05423-RMI, 2021 WL 3471176, at *1 (N.D. Cal. Aug. 6, 2021). There, the district court did not
28 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.

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

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

16 Chapter 25B provides that the Board’s hearing shall be *de novo* and the Board shall
17 hold a public hearing. County Code § 25B-12(b)(4). This suggests that the Board has the
18 authority to engage in affirmative acts that go beyond merely reviewing the
19 administrative record and giving a thumbs up or down. Here, like in *Vedanta*, the Board
20 has the authority to conduct *de novo* fact-finding. 84 Cal. App. 4th at 519. When
21 appealed, the Planning Commission supplies copies of the application and a statement of
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23 ¹⁰ The majority vote requirement is instead sourced from separate procedural rules that govern
24 hearings before the Board. Governing Procedural Rules, Sec. IV, 1 (“Any action taken by the Board of
25 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).

26 The same rules state “[i]n the event the Board takes no action because a motion on the item
27 failed to carry by the affirmative vote of a majority of the membership, the matter may be continued at
28 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.

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

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

19 Finally, it appears everyone throughout the entirety of the Board appeal and public
20 hearing process agreed that the Board was required to make factual findings. County
21 Staff recommended that the Board “make” the required findings for approval and “grant
22 *de novo*” approval of the applications. Board Agenda Letter A.R. 2953 (Vol. 11 at 811).
23 The failed motion, as reflected in the Board minutes following the hearing, was to deny
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27 ¹¹ Federal courts may consider unpublished California appellate decisions as persuasive
28 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)).

1 the appeal, make the required findings for approval, and grant *de novo* approval.¹² A.R.
2 6755 (Vol. 21 at 11). Sable’s own response to the appeal is in accordance with this
3 approach (A.R. 5240 (Vol. 14 at 495) [Doc. # 13-14] (“[T]he Planning Commission did
4 not err in approving the Transfers, and [] the Board should *do the same.*”) (emphasis
5 added)) (A.R. 5257 (Vol. 14 at 512) (“We respectfully request that the Board . . . deny
6 the Appeals, *make the required findings*, and grant *de novo* approval of the Transfers.”)
7 (emphasis added)).

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

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

19 **1. Ministerial Duty or Discretionary Duty**

20 Under section 1085, the Court may issue a writ of mandate in two circumstances:
21 (1) where the agency has a “mandatory” and “ministerial duty capable of direct
22 enforcement” or (2) where the agency has a discretionary “quasi-legislative duty entitled
23 to a considerable degree of deference” and that agency has abused its discretion. *CV*
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26 ¹² The motion by the Board includes all proposed findings and execution of all actions
27 recommended in the County Staff’s report. *See* Governing Procedural Rules, Sec. VII, 1 (“In the case of
28 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.”).

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

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

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

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23 ¹³ Petitioners cite to cases interpreting “discretionary projects” and “ministerial projects” within
24 the meaning of the California Environmental Quality Act (CEQA). *See* Petitioners MSJ at 19 (citing
25 *Prentiss v. City of S. Pasadena*, 15 Cal. App. 4th 85, 89 (1993), *Health First v. Mar. Joint Powers Auth.*,
26 174 Cal. App. 4th 1135, 1142 (2009) and *Friends of Juana Briones House v. City of Palo Alto*, 190 Cal.
27 App. 4th 286, 299 (2010)), 20 (citing *Sierra Club v. Cnty. of Sonoma*, 11 Cal. App. 5th 11, 19 (2017)
28 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.

1 **2. Duties Under Chapter 25B**

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

7 Chapter 25B mandates that the Board “shall affirm, reverse, or modify the
8 planning commission’s decision at a public hearing.” County Code § 25B-12(4). A
9 cardinal rule of statutory interpretation is that the Court’s inquiry “begins with the
10 statutory text, and ends there as well if the text is unambiguous.” *BedRoc Ltd., LLC v.*
11 *United States*, 541 U.S. 176, 183 (2004); *see also California Priv. Prot. Agency v.*
12 *Superior Ct.*, 99 Cal. App. 5th 705, 722 (2024) (same under California law); *Herrera v.*
13 *Zumiez, Inc.*, 953 F.3d 1063, 1070 (9th Cir. 2020) (holding courts apply California rules
14 of statutory interpretation to California regulations). Statutory interpretation begins with
15 the “plain and commonsense meaning” of the words themselves. *Herrera*, 953 F.3d at
16 1070. The language here is unambiguous. The Board *shall* affirm, reverse, or modify the
17 decision, but the Board’s tie vote did not do any of these things. Because the language is
18 unambiguous, the Court need not look to Chapter 25B’s legislative history or other
19 extrinsic aids. *BedRoc Ltd., LLC*, 541 U.S. at 183; *see also Herrera*, 953 F.3d at 1071.

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

1 (agency’s obligation to hold a hearing upon receipt of a petition was ministerial); *Lazan*
2 *v. Cnty. of Riverside*, 140 Cal. App. 4th 453, 460 (2006) (where employer “shall apply for
3 disability retirement” upon a certain condition, the employer has a mandatory and
4 ministerial duty to apply because it “has no authority to do otherwise”). The Board has
5 no option, for example, to remand the matter back to the Planning Commission for
6 further consideration. *Cf. Woody's Grp., Inc. v. City of Newport Beach*, 233 Cal. App.
7 4th 1012, 1026 (2015) (the municipal code allows the reviewing body to remand).

8 The use of the word “shall” indicates a legislative intent to impose a mandatory
9 duty. *California Priv. Prot. Agency*, 99 Cal. App. 5th at 723 (citing *In re Luis B.*, 142
10 Cal. App. 4th 1117, 1123 (2006)). Respondents and Intervenors claim the word “shall”
11 does not *necessarily* create a mandatory duty under *AIDS Healthcare Found.*, 197 Cal.
12 App. 4th at 693. *See* Response at 19, Intervenors MSJ at 24. Although *AIDS Healthcare*
13 *Found.* may stand for this general proposition, the facts and reasoning undergirding it are
14 inapplicable to the case at hand. In *AIDS Healthcare Found.*, the petitioners sought a
15 writ of mandamus to compel the health department to issue a regulatory order requiring
16 adult film industry performers to take certain specific actions. 197 Cal. App. 4th at 696.
17 The applicable statute stated the health department “shall take measures as may be
18 necessary to prevent the spread of the disease or occurrence of additional cases.” *Id.* at
19 701. In this context, the Court of Appeal found the term “shall” did not necessarily create
20 a mandatory duty, because “[e]ven if mandatory language appears in a statute creating a
21 duty, the duty is discretionary if the public entity must exercise significant discretion to
22 perform the duty.” *Id.* (quoting *Sonoma Ag Art v. Dep't of Food & Agric.*, 125 Cal. App.
23 4th 122, 127 (2004) (internal punctuation removed)). The Court of Appeal concluded the
24 statute left the “measures as may be necessary,” or the prescribed course of action to
25 address the spread of diseases, to the health department’s discretion.¹⁴

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28 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

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

9 Although the Board’s failure to act was not purposeful, as the tie vote presumably
10 was unexpected and unplanned, the Board has yet to “affirm, reverse, or modify” the
11 decision following Petitioners’ demand letters and the Board’s closed session. *See*
12 Petitioners MSJ at 18. A traditional writ of mandamus is appropriate here to compel the
13 Board to “affirm, reverse, or modify” the Planning Commission’s decision where it
14 essentially has failed to act following the tie vote. Moreover, “[m]andamus does not lie
15 to compel a public agency to exercise discretionary powers in a particular manner, only
16 to compel it to exercise its discretion in some manner.” *AIDS Healthcare Found.*, 197
17 Cal. App. 4th at 700–701 (citing *Excelsior Coll. v. Bd. of Registered Nursing*, 136 Cal.
18 App. 4th 1218, 1238 (2006)); *see also* Intervenors Reply at 12–13. In other words,
19 having concluded that the Board’s *de novo* review of the Planning Commission’s
20 decision is discretionary rather than purely appellate in nature, the Court may not compel
21 the Board to affirm or reverse the Planning Commission’s decision before the Board has
22 made any decision at all. But the Court may compel the Board to *exercise* its discretion
23 to affirm, reverse, or modify and essentially try again until it reaches a determination in
24 compliance with the requirements of Chapter 25B—an affirmance, reversal, or
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26
27 ordinance stated the building official “shall” issue a permit if the application met all requirements, the
28 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.

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

3 Indeed, the Board has expressed its willingness to hold a new hearing. *See*
4 Response at 24. The trial court in *Lopez* similarly remanded the matter back to the board
5 to conduct another vote. *Lopez*, 165 Cal. App. 4th at 3. The Board here, like in *Lopez*,
6 had five members “to foster decisions by majority votes and to avoid tie votes.” *Id.* at 5.
7 The fifth abstaining board member in *Lopez* abstained on an erroneous basis. *Id.*
8 Accordingly, with the Court of Appeal’s instruction, the remand restored the board to its
9 intended odd number of members. *Id.* Here, Hartmann recused herself from the vote, but
10 her presumed conflict of interest may not in fact exist.¹⁵ On June 27, 2025, the FPPC
11 sent a letter to County Counsel for Santa Barbara County, at County Counsel’s request,
12 regarding Hartmann’s purported conflict of interest based upon her ownership of a real
13 property parcel approximately 900 feet from the pipeline. Intervenor RJN, Ex. 1 [Doc. #
14 43-6 at 6–13.]¹⁶ The letter states that under certain conflict-of-interest provisions,
15 Hartmann does not have a disqualifying financial interest in the County’s decisions
16 regarding Sable’s Chapter 25B FDP applications. *Id.* at 8. That said, as Petitioners point
17 out, Hartmann received a similar letter from the FPPC in 2016 but still recused herself in
18 2023. Alternative RJN, Ex. 1 [Doc. # 46-5 at 4–8]. Regardless, this factual development
19 does not undermine the Court’s ruling as the Court does not rely upon Hartman’s recusal
20 status. Whether or not Hartmann participates in the vote, the Board members must vote
21 to “affirm, reverse, or modify” the Planning Commission’s decision—which includes
22
23

24 ¹⁵ Regarding the Sable FDP applications, Hartmann did not state on the record her reasons for
25 recusal. In 2023, however, regarding the Exxon Mobil Affiliates application for FDP transfer of the
26 pipeline, she stated “the pipeline runs directly adjacent to the northeastern corner of my property,” so
27 “due to conflict of interest potential” she recused herself. Petitioners RJN, Ex. 1 at 3 [Doc # 36-5]; *see*
28 *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. Intervenor RJN, Ex. 1 at 6.

1 upholding or denying the appeals and making the required factual findings under Chapter
2 25B-8, 9, and 10.¹⁷

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

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

8 **IV.**

9 **CONCLUSION**

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

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

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22
23 ¹⁷ In upholding or denying the appeals, Board members must comply with the requirements of
24 Chapter 25B and Governing Procedural Rules. Lee’s sparse remarks to the effect that restarting the
25 facilities and pipeline was an “insane” and “bad” idea, and his vote was the “right thing to do,” without a
26 single mention of the findings required under Chapter 25B, would not exemplify compliance. *See*
27 Governing Procedural Rules, Sec. VII, 1 (requiring any final action to be accompanied by written
28 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).

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

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7 **IT IS SO ORDERED.**

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9 DATED: September 12, 2025

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11 _____
12 DOLLY M. GEE
13 CHIEF U.S. DISTRICT JUDGE
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Attachment G

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
CIVIL MINUTES—GENERAL

Case No. **25-4165-DMG (AGRx)** Date July 25, 2025

Title ***Sable Offshore Corp., et al. v. County of Santa Barbara, et al.*** Page 1 of 9

Present: The Honorable **DOLLY M. GEE, CHIEF UNITED STATES DISTRICT JUDGE**

DEREK DAVIS
Deputy Clerk

NOT REPORTED
Court Reporter

Attorneys Present for Plaintiff(s)
None Present

Attorneys Present for Defendant(s)
None Present

Proceedings: IN CHAMBERS—ORDER GRANTING MOTION TO INTERVENE [25]

Petitioners and Plaintiffs Sable Offshore Corp. (“Sable Offshore”), Pacific Pipeline Company (“PPC”), and Pacific Offshore Pipeline Company (“POPCO”) (collectively, “Sable”) and Petitioners and Plaintiffs Exxon Mobil Corporation (“ExxonMobil”), Mobil Pacific Pipeline Company (“MPPC”), and ExxonMobil Pipeline Company (“EMPCo”) (collectively, “Exxon Mobil Affiliates”) (together with Sable, “Petitioners”) filed this action on May 8, 2025, against Respondents and Defendants County of Santa Barbara (the “County”) and Santa Barbara County Board of Supervisors (the “Board”) (collectively, “Respondents”). [Doc. # 1 (“Compl.”).] Respondents filed an Answer on May 30, 2025. [Doc. # 21.]

On June 6, 2025, the Court bifurcated this action into Phase I and Phase II and set deadlines for Phase I. [Doc. # 24.] Petitioners filed their Motion for Summary Judgment with regard to Phase I on July 3, 2025. [Doc. # 36.] Respondents’ Response is due August 4, 2025, and Petitioners’ Reply is due August 25, 2025. [Doc. # 24 at 2.]¹

Five non-profit environmental organizations, Environmental Defense Center (“EDC”), Get Oil Out! (“GOO!”), Santa Barbara County Action Network (“SBCAN”), Sierra Club, and Santa Barbara Channelkeeper (“SBCK”) (collectively, “Proposed Intervenors”) filed a motion to intervene pursuant to Federal Rule of Civil Procedure 24 on June 12, 2025. [Doc. # 25 (“MTI”).] Respondents do not oppose, but Petitioners do. [Doc. ## 26, 29 (“Opp.”), 35 (“Reply”).]

Upon due consideration of the parties’ arguments, the Court **GRANTS** the motion to intervene.

¹ All page citations herein refer to the number inserted by the CM/ECF system.

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I.
FACTUAL AND PROCEDURAL BACKGROUND

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. Compl. at ¶ 26, Ex. 1 at 4 [Doc. # 1-1]. The POPCO facility is an onshore gas production facility located in Las Flores Canyon (FDPs 93-FDP-015 and 74-CP-11). *Id.* at ¶ 28. The Santa Ynez Unit, as referred to here, consists of the onshore oil processing facility also located in Las Flores Canyon (FDP 87-DP-32cz). *Id.* at ¶ 29, Ex. 1 at 4; Decl. of Linda Krop (“Krop Decl.”) at ¶ 6 [Doc. # 25-1]. The Las Flores Pipeline (the “pipeline”), formerly known as the Plains All American Pipeline, transports oil produced from the Santa Ynez Unit to the Pentland Station in Kern County (FDPs 88-DPF-033 (RV01)z, 88-CP-60 (RV01), 88-DPF-25cz, 85-DP-66cz, and 83-DP-25cz). Compl. at ¶ 27, Ex. 1 at 4.

All oil and gas facilities in Santa Barbara County must have Final Development Permits (“FDPs”) in order to operate. Compl. at ¶¶ 1, 2. Transfer of FDPs is governed by Santa Barbara County Code Chapter 25B. *Id.* at ¶ 3. 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.

Chapter 25B-1. Any change in owner or guarantor requires application and approval by the County. Chapter 25B-4(e), (g). Proposed Intervenor EDC supported and participated in the County’s adoption of Chapter 25B in 2002. Krop Decl. at ¶ 5.

In February of 2024, Sable Offshore acquired PPC, POPCO, the facilities, and the pipeline, from the Exxon Mobil Affiliates for \$625,000,000. *Id.* at ¶ 2; MTI at 9 (citing AR-3204-3205). To fund this purchase, Sable secured a \$622,000,000 loan from Exxon. MTI at 9 (citing AR-3204-3205). The Santa Barbara County Planning Commission held a public hearing on the application on October 30, 2024. Compl. at ¶ 59. Prior to the hearing, the County Staff released a Report recommending the Planning Commission approve Sable’s application to transfer the FDPs. Compl. at ¶¶ 4, 58, Ex. 1. Proposed Intervenor submitted written comments and testified at the hearing in opposition to the transfer. Decl. of Walter Morton (“Morton Decl.”) at ¶ 10 [Doc. # 25-7]; Decl. of Maureen Ellenberger (“Ellenberger Decl.”) at ¶ 10 [Doc. # 25-4]; Decl. of Michael Lyons (“Lyons Decl.”) at ¶¶ 9, 10 [Doc. # 25-6]; Decl. of Ken Hough (“Hough Decl.”) at ¶ 9 [Doc.

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25-5]; Decl. of Alex Katz (“Katz Decl.”) at ¶ 8 [Doc. # 25-2]; Krop Decl. at ¶ 13.² The Planning Commission adopted the Staff Report and approved the application in a three to one vote. Compl. at ¶¶ 5, 58, 59; MTI at 10 (citing AR-002007-002009).

Proposed Intervenors EDC, GOO!, and SBCAN filed an appeal of the Planning Commission’s approval to the Board.³ Compl. at ¶¶ 6, 63. The Board held a public hearing on February 25, 2025. *Id.* at ¶¶ 7, 68. SBCK and Sierra Club submitted comments and testified at the Board hearing. *Id.* at ¶ 66; Morton Decl. at ¶ 11; Ellenberger Decl. at ¶ 11. EDC, GOO!, and SBCAN submitted a comment letter to the Board in support of their appeal. Compl. at ¶¶ 64, 66; MTI at 11 (citing AR-003200-003472). The County issued a Staff Report that recommended the Board deny the Appeal. *Id.* at ¶ 65. With one member of the Board recused, the Board ended up with a two to two tie vote. *Id.* at ¶¶ 7, 70.

Sable sent two letters to the County asserting that the tie vote left the Planning Commission’s approval intact, thereby permitting transfer. *Id.* at ¶¶ 76, 77. Sable requested the County promptly transfer the FDPs. *Id.* EDC submitted letters to the Board in opposition. Krup Decl. at ¶ 16. The County did not respond to EDC’s letters. *Id.* at ¶ 17. The Board went into closed session to discuss the issue during its April 16, 2025 meeting, and did not take action following the meeting. Compl. at ¶¶ 78, 79. As of the date of the Complaint, the County has not transferred the FDPs. *Id.* at ¶ 79.

Petitioners contend, in sum, that the County should transfer the permits to them and their failure to do so violates Chapter 25B (Compl. at ¶¶ 83–105), the Takings Clause of the Fifth and Fourteenth Amendments to the United States Constitution and Article I, Section 19 of the California Constitution (Compl. at ¶¶ 106–119), and the Supremacy Clause of the United States Constitution and Article XI, Section 7 of the California Constitution (Compl. at ¶¶ 120–129).

The Proposed Intervenors submitted declarations from, and/or on behalf of, their members who live, work, and recreate in areas that would be affected by operation of the facilities and pipeline. *See* Katz Decl. at ¶¶ 6, 7 (EDC); Ellenberger Decl. at ¶¶ 3, 5, 7 (Sierra Club); Hough

² GOO!, SBCAN, Sierra Club, and SBCK are clients of EDC. Krup Decl. at ¶ 4. EDC was hired by GOO! and SBCAN to oppose the proposed transfer, and later added the Sierra Club and SBCK to its appeal as clients. *Id.* at ¶ 13, 14.

³ Two other non-profit environmental organizations also filed an appeal. Compl. at ¶ 63. These organizations (Center for Biological Diversity and Wishtoyo Foundation) are not Proposed Intervenors in the MTI at hand. *Id.* The Board considered both appeals. *See* Compl. Ex. 2 at 4 [Doc. # 1-2].

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Decl. at ¶¶ 3, 5 (SBCAN); Morton Decl. at ¶¶ 3, 5, 7 (SBCK); Lyons Decl. at ¶¶ 4, 5 (GOO!). They also filed a proposed Answer. [Doc. # 25-8.]

**II.
LEGAL STANDARD**

Federal Rule of Civil Procedure 24 sets forth the standard for intervention as of right and permissive intervention. Rule 24(a)(2), intervention of right, requires a court, on timely motion, to permit anyone to intervene who “claims an interest relating to the property or transaction that is the subject of the action, and is so situated that disposing of the action may as a practical matter impair or impede the movant's ability to protect its interest, unless existing parties adequately represent that interest.” The Court is required to take “all well-pleaded, nonconclusory allegations in the motion to intervene, the proposed complaint or answer in intervention, and declarations supporting the motion as true absent sham, frivolity or other objections.” *Sw. Ctr. for Biological Diversity v. Berg*, 268 F.3d 810, 820 (9th Cir. 2001).

When analyzing a motion to intervene as of right under Rule 24(a)(2), the Ninth Circuit applies a four-part test:

- (1) the motion must be timely;
- (2) the applicant must claim a “significantly protectable” interest relating to the property or transaction which is the subject of the action;
- (3) the applicant must be so situated that the disposition of the action may as a practical matter impair or impede its ability to protect that interest; and
- (4) the applicant’s interest must be inadequately represented by the parties to the action.

Wilderness Soc’y v. U.S. Forest Serv., 630 F.3d 1173, 1177 (9th Cir. 2011) (*en banc*) (quoting *Sierra Club v. EPA*, 995 F.2d 1478, 1481 (9th Cir. 1993)). The proposed intervenor has the burden to show the four elements are met. *Citizens for Balanced Use v. Mont. Wilderness Ass’n*, 647 F.3d 893, 897 (9th Cir. 2011) (internal citation omitted). The Court broadly interprets these elements in favor of intervention. *Id.*

Rule 24(b)(1), permissive intervention, allows the Court in its discretion to permit intervention if: (1) independent grounds for jurisdiction exist; (2) the request is timely; and (3) the applicant’s claim or defense and the main action share common questions of law or fact. Fed. R. Civ. P. 24(b)(1)(B); *Perry v. Proposition 8 Official Proponents*, 587 F.3d 947, 955 (9th Cir. 2009). The Court must consider whether “the intervention will unduly delay or prejudice the adjudication of the original parties’ rights.” Fed. R. Civ. P. 24(b)(3).

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**III.
DISCUSSION****A. Intervention of Right****1. Timeliness**

The motion to intervene is undoubtedly timely. *See W. Watersheds Project v. Haaland*, 22 F.4th 828, 836 (9th Cir. 2022). The Proposed Intervenors filed their motion only one month after the Complaint was filed and before the Court bifurcated the action. Furthermore, they agree to adhere to the existing briefing schedule for Phase I. MTI at 17. There will be no prejudice, disruption, or delay. *See generally W. Watersheds Project*, 22 F.4th at 836-840. Petitioners seem to concede this point and do not contest the timeliness of the motion. *See generally* Opp. at 14–27.

2. Protectable Interest and Impairment

The “operative inquiry” to determine a “significantly protectable” interest is “whether the ‘interest is protectable under some law’ and whether ‘there is a relationship between the legally protected interest and the claims at issue.’” *Wilderness Soc.*, 630 F.3d at 1180 (quoting *Sierra Club*, 995 F.2d at 1484). This is a “practical, threshold inquiry” and “no specific legal or equitable interest need be established.” *Nw. Forest Res. Council v. Glickman*, 82 F.3d 825, 837 (9th Cir. 1996) (internal quotations omitted). Here, the Proposed Intervenors have multiple interests in this action: (1) the Proposed Intervenors were involved in the Chapter 25B administrative process; and (2) the Proposed Intervenors have demonstrated an interest in the conservation of the environment.

EDC was involved in Chapter 25B since its inception. It supported the County’s adoption of Chapter 25B and participated in its enactment by testifying at the public hearing held by the Board in 2002. Krup Decl. at ¶ 5. The Ninth Circuit generally allows public interest groups to intervene where they were “directly involved in the enactment of the law or in the administrative proceedings out of which the litigation arose.” *Nw. Forest Res. Council*, 82 F.3d at 837 (collecting cases); *see also Idaho Farm Bureau Fed’n v. Babbitt*, 58 F.3d 1392, 1397 (9th Cir. 1995) (collecting cases) and *Prete v. Bradbury*, 438 F.3d 949, 954 (9th Cir. 2006) (“[A] public interest group that has supported a measure . . . has a “significant protectable interest” in defending the legality of the measure”).

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More importantly, it is EDC’s appeal—made for itself and on the other Proposed Intervenor’s behalf—that is at issue in this action. The Board reviewed the Planning Commission’s approval pursuant to EDC’s appeal. EDC retains an interest in seeing its appeal upheld, as exemplified through Petitioners and EDC’s exchange of letters to the Board following the tie vote. Indeed, all of the Proposed Intervenor’s actively participated in the process through testimony and comments, and their total involvement here goes beyond “mere[] exercise” of a right to provide comment.” Opp. at 16–17.

Petitioners claim this action has no connection to the environment and simply involves the transfer of permits from one oil company to another. Opp. at 17–18. Petitioners’ argument is unavailing. One codified purpose of Chapter 25B is to “safeguard the natural resources and environment of the county of Santa Barbara.” Chapter 25B-1. Chapter 25B does not merely provide for the transfer of FDPs, it creates an administrative process designed to bar the transfer of FDPs to a transferee that would place the environment at risk.

The Proposed Intervenor’s have a well-recognized interest in the conservation, use, and enjoyment of the land related to this action, as shown in their declarations. *See Citizens for Balanced Use*, 647 F.3d at 897 (“Applicants have a significant protectable interest in conserving and enjoying the wilderness character of the [area]”); *United States v. Carpenter*, 526 F.3d 1237, 1240 (9th Cir. 2008) (“we held that the intervenors were entitled to intervene because they had the requisite interest in seeing that the wilderness area be preserved for the use and enjoyment of their members.”).⁴

Moreover, as a practical matter, Sable cannot restart oil and gas processing and transport in the facilities and pipeline without an FDP. *See Sw. Ctr. for Biological Diversity*, 268 at 822 (“If an absentee would be substantially affected in a practical sense by the determination made in an action, he should, as a general rule, be entitled to intervene.”). A writ of mandamus by this Court directing the County to transfer the FDP would impair the Proposed Intervenor’s interests because it would effectively resolve their appeal and threaten the environment that the members of the

⁴ Petitioners’ citations are unpersuasive in the face of longstanding Ninth Circuit authority, or are inapplicable to the case at hand. *See* Opp. at 18 (citing *Pub. Serv. Co. of New Hampshire v. Patch*, 136 F.3d 197, 204 (1st Cir. 1998) and *Roman Cath. Bishop of Monterey v. Cota*, No. CV 15-8065-JFW (RAOx), 2016 WL 320741, at *6 (C.D. Cal. Jan. 8, 2016) (denying an untimely motion to intervene in a quiet title action where judgment was entered more than 100 years ago), *aff’d sub nom. Roman Cath. Bishop of Monterey v. Cota*, 711 F. App’x 428 (9th Cir. 2018)). Similarly, the district court’s single page order denying intervention as of right but allowing permissive intervention is unhelpful. Opp. at 17 (citing *Greater Yellowstone Coal., Inc. v. Servheen*, No. CV 07-134-M (DWMx), 2008 WL 11348733, at *1 (D. Mont. Apr. 25, 2008)).

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Proposed Intervenor use and enjoy—the very risks Chapter 25B is meant to prevent. *See Citizens for Balanced Use*, 647 F.3d at 897-898.

3. Adequacy of Representation

“The burden of showing inadequacy of representation is ‘minimal’ and satisfied if the applicant can demonstrate that representation of its interests ‘may be’ inadequate.” *W. Watersheds Project*, 22 F.4th at 840 (quoting *Citizens for Balanced Use*, 647 F.3d at 898). The Court considers three factors: “(1) whether the interest of a present party is such that it will undoubtedly make all of a proposed intervenor's arguments; (2) whether the present party is capable and willing to make such arguments; and (3) whether a proposed intervenor would offer any necessary elements to the proceeding that other parties would neglect.” *Id.* at 840-841 (quoting *Citizens for Balanced Use*, 647 F.3d at 898).

The “most important factor” is “how the interest compares with the interests of existing parties.” *Arakaki v. Cayetano*, 324 F.3d 1078, 1086 (9th Cir. 2003). Where the existing party and the proposed intervenor share the same “ultimate objective,” there is a presumption the existing party adequately represents the proposed intervenor’s interests. *W. Watersheds Project*, 22 F.4th at 841; *Arakaki*, 324 F.3d at 1086. A “compelling showing” of inadequacy of representation is required to rebut this presumption. *Arakaki*, 324 F.3d at 1086; *Citizens for Balanced Use*, 647 F.3d at 898. Similarly, where the government is acting on behalf of a constituency that it represents, there is an assumption of adequacy. *Arakaki*, 324 F.3d at 1086 (citing *United States v. City of Los Angeles, Cal.*, 288 F.3d 391, 401 (9th Cir. 2002)). A “compelling showing to the contrary” is required to rebut this assumption. *Id.* Still, intervention of right “does not require an *absolute certainty* that a party's interests will be impaired or that existing parties will not adequately represent its interests.” *Citizens for Balanced Use*, 647 F.3d at 900 (emphasis added).

Unlike other cases where petitioners challenge the legality of the measure itself, Petitioners here do not challenge the legality of Chapter 25B. *See, e.g., Prete*, 438 F.3d at 954; *Idaho Farm Bureau Fed'n*, 58 F.3d at 1397. Instead, Petitioners challenge the County’s inaction after the Board’s tie vote. *See* Compl. at ¶¶ 80, 81. Logically, Respondents’ interests are to defend and uphold the County’s inaction following the Board’s closed session. *See* Answer at ¶¶ 75, 78; MTI at 23. On the other hand, the Proposed Intervenor has a demonstrated interest in *reversing* the Planning Commission’s approval and they have affirmatively asserted their stance on the legal implications of the tie vote to Respondents. *See* Reply at 16. Moreover, the County may have an interest in upholding its Planning Commission’s initial approval of the transfer—the very decision Proposed Intervenor appealed. Respondents and Proposed Intervenor hold “fundamentally differing points of view . . . on the litigation as a whole.” *Citizens for Balanced Use*, 647 F.3d at

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899. Because of this fundamental difference, it is likely the Respondents will not advance the same arguments as the Proposed Intervenors, and therefore that representation of the Proposed Intervenors’ interests may be inadequate. *See Sw. Ctr. for Biological Diversity*, 268 F.3d at 824.⁵ Intervention as of right is therefore warranted.

B. Permissive Intervention

Because the Court finds the Proposed Intervenors may intervene as of right, it need not consider permissive intervention. Nevertheless, even if the Court concluded it was not warranted, the Court would have allowed intervention as a matter of discretion. Independent subject matter question jurisdiction, specifically federal question jurisdiction, exists, the request is timely, and there are common questions of law and fact. There would be no delay or prejudice to Petitioners because the Proposed Intervenors agree to adhere to the existing briefing schedule. Moreover, the arguments of the Proposed Intervenors will add an important perspective to the litigation.

C. Scope of Intervention

Petitioners assert in an offhand footnote that the Proposed Intervenors only seek to intervene in Phase I of this action. *Opp.* at 7 n.1. Petitioners intend to raise their constitutional claims in Phase II. *Opp.* at 8. The interests of the Proposed Intervenors and the subject of the litigation (the County’s non-transfer of the FDPs) remain the same in Phase II. *See Sagebrush Rebellion, Inc. v. Watt*, 713 F.2d 525, 528 (9th Cir. 1983) (holding the proposed intervenor’s interest and adequacy of representation are measured in relation to the “the subject of the action” not “the particular issue before the court at the time of the motion”); *Reply* at 20–21. The Court will therefore allow intervention as to both Phases and all of Petitioners’ claims.

⁵ Additionally, the Proposed Intervenors contend they will contribute necessary elements to the proceeding that Respondents would neglect. Namely, they argue they represent environmental and conservation interests and concerned members in Santa Barbara County who would otherwise go unheard. *MTI* at 24–25; *Reply* at 17. Petitioners again assert Chapter 25B has no relationship to the environment, which the Court rejects for the same reasons previously stated. *Opp.* at 23–24. Although the Court recognizes the Proposed Intervenors would add an important perspective to the litigation, this argument sounds similar to “expertise” arguments rejected by the Ninth Circuit. *See Oakland Bulk & Oversized Terminal, LLC v. City of Oakland*, 960 F.3d 603, 621 (9th Cir. 2020) (holding an expertise in environmental issues does not warrant intervention of right) (citing *Prete v. Bradbury*, 438 F.3d 949, 958-959 (9th Cir. 2006) (holding expertise in the subject is insufficient)). Regardless, this is not the most important factor in the Court’s inquiry.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
CIVIL MINUTES—GENERAL

Case No. **25-4165-DMG (AGR_x)** Date July 25, 2025

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**IV.
CONCLUSION**

In light of the foregoing, the Proposed Intervenors' motion to intervene is **GRANTED**. The Proposed Intervenors shall file their Response to Petitioners' Motion for Summary Judgment in Phase I by **August 4, 2025**. *See* Doc. # 24.

IT IS SO ORDERED.

Attachment H

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**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 (AGRxx)

PEREMPTORY WRIT OF MANDATE

1 **TO THE RESPONDENT SANTA BARBARA COUNTY BOARD OF**
2 **SUPERVISORS (the “Board”):**

3 An order having been entered in the above-captioned action requiring that a
4 peremptory writ of mandate issue from this Court, the Board is hereby directed and
5 commanded upon service of this writ of mandate on the Board, to do the following:

6 Within 60 days of service of the writ of mandate on the Board, hold a *de novo*
7 public hearing to affirm, reverse, or modify the Planning Commission’s decision
8 regarding Petitioners/Plaintiffs’ Final Development Permit applications in this action in
9 compliance with Santa Barbara County Code Chapter 25B-8, 9, and 10. If the Board is
10 unable to reach a vote that affirms, reverses, or modifies the Planning Commission’s
11 decision, the Board shall hold another *de novo* public hearing within 45 days, and if
12 unable again, every 45 days thereafter. This writ of mandate shall not control in any way
13 such discretion as is vested in the Board.

14
15 DATED: September 12, 2025

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17 _____
18 DOLLY M. GEE
19 CHIEF U.S. DISTRICT JUDGE
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